

Registered number: 06461263
Charity number: 1122183

LILIAN FAITHFULL CARE
Previously known as Lilian Faithfull Homes
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

LILIAN FAITHFULL CARE
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Company secretary

Mr Lyons

Chief executive officer

Mr M Hughes

Independent Auditor

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Bankers

Barclays Bank
128 High Street
Cheltenham
Gloucestershire
GL50 1EL

Solicitors

Willans Solicitors
28 Imperial Square
Cheltenham
Gloucestershire
GL50 1RH

BPE Solicitors LLP
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Trustees

The Rev Canon D C Nye³
Mr T P Griffin²
Mr R S Lyons²
Mrs J E Ballinger, Chair of Finance^{1,2}
Ms G Pyatt, Chair^{2,3}
Mr G H Parry¹
Mrs E Fox³
Mrs J Woodley^{1,2}
Mr A J B Bishop¹
Mr C J Dickenson³ (resigned 30 November 2018)
Mrs F Court (appointed 8 August 2018)
Mr M D Smith (appointed 8 August 2018)

¹ Finance Committee

² Strategy Development Committee

³ Quality Care and HR Committee

Company registered number

06461263

Charity registered number

1122183

Registered office

Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

LILIAN FAITHFULL CARE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees of Lilian Faithfull Care (LFC) present their Annual Report for the year ended 31 December 2018 in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission (CQC). The Trustees are also approving the Strategic Report in their capacity as company directors. The company was incorporated in England and Wales and its Registration Number is 06461263 and Charity Number is 1122183.

Our Aim and Public Benefit

Our Charity's aim, as set out in the objects contained in the Charity's memorandum of association is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons".

Public Benefit

Our public benefit is to open the services of LFC to all, irrespective of their means to pay, within the limits of our budgeted funds. We cover our operational costs by charging fees and we aim to make a small surplus (3.5% in 2018) to fund our public benefit. Our fees to private funders are generally below the market rates, our staffing ratios higher and spend on food far increased on industry averages. We provide more support to those funded by Social Services than any other provider in Cheltenham and are one of the largest providers of Social Care in the County. Average occupancy for the year across the five homes was 241 and of this number, Lilian Faithfull provided financial support to, on average, 70 residents throughout the year. We offer our families and residents a Home for Life and continuity of care irrespective of their financial circumstances.

Strategic Report

Ensuring Our Work Delivers Our Aim

We review our aim, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Strategic Objectives

Our strategic objectives for 2018 were:

Core Plans

- Ensure all our homes continue to be CQC compliant.
All our Homes are rated Good in all areas by the Care Quality Commission.
- Occupancy remains at least 90%.
Occupancy for the year remained above industry averages at 91.8%.
- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
Surplus was 3.5% of income and we increased our staff's wages for the 6th consecutive year.
- Increasing our profile across the County.
We have become one of the best-known Charity's in the County through events and promotion of our work. We published our Remarkable Lives book, celebrating our incredible residents. This has also helped families within the County become more aware of the advice and support we can give them.

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Growth and Development

- Explore further Day Care provision in the County.
We increased our day care provision by acquiring a suitable property which is planned to open in April 2019.
- Explore the opportunity to grow the Charity through acquisition of suitable facilities.
Through the acquisition of Royal Gardens we will open a new day centre and provide affordable housing/flats for our beneficiaries and/or staff accommodation.

Properties and Services

- Explore planning permission at Astell and build more communal space.
Planning was approved and we built an incredible conservatory which doubled the communal space at the home.
- Continue with refurbishing our Estate, ensuring they are always fit for purpose.
We continued to refurbish and develop our homes, building specialist wings for those with advanced dementia at Faithfull House.
- Develop the Lilian Faithfull Care brand to demonstrate our breadth of services and heritage.
Through targeted activities and promotion the Charity have become the go-to experts in the County for elderly care, now providing day care, assisted living, residential, nursing and, more recently, affordable flats.
- Explore the opportunity to provide End of Life/Palliative care in the County.
Our home in the Stroud Valleys, Resthaven, has become a beacon of excellence in the County for end of life care.

Training

- Accreditation of our induction program.
During the year the Charity received accreditation of its induction and training methods from the Open College Network. We supported the University of Gloucestershire with the Student Nurse Placement Programme. The Charity also provided Leadership & Coaching to its Senior Managers.

How Our Activities Achieve Our Aim and Public Benefit

The Charity is one of the largest providers of Social Care for the elderly in Gloucestershire; caring for more residents who have limited resources than any other provider.

The Charity stands by its commitment 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of the fees. However, the amount that Social Services will pay is likely to be less than the actual cost of providing the required care at LFC. In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from LFC's own resources.

Our aim is to provide exceptional care and support for our residents and families irrespective of financial means. Our homes generally have higher staffing levels, better staff retention levels and a higher level of food quality when compared to published industry indices.

The number of people aged 65 and over living in Gloucestershire has been growing by an average of 1,500 year-on-year over the last 10 years. Currently there are approximately 136,300 people aged 65 and over living in Gloucestershire and projections suggest that this number will rise to 145,280 by 2021 and to 206,300 by 2039 exceeding the national average.

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On the whole, people are living longer and maintaining a healthy, active lifestyle. The key element is the oldest age population (over 75s), and the number of 85+ will see the fastest rate of growth during this period. In Gloucestershire there are estimated to be 8,610 people living with dementia. That number is expected to double over the next 20 years.

The number of people living alone is estimated to increase by about a fifth from 33,800 to 41,000. This means that more people are likely to need support; research shows that when people are isolated and lonely their wellbeing is affected and they are more likely to need health and social care services in the future. Residents are coming to stay with us later in life, with more challenging conditions and multiple co-morbidities. We are experiencing an increase in short-term respite stays as the drive from families is to keep their loved ones at home longer.

Currently the average age of entry into residential care is 87 and nursing care 90. Five years ago this was 83 for residential and 88 for nursing respectively. This trend means that to care for residents later in life requires more specialised skills and higher and more intensive staffing levels.

Lilian Faithfull has been particularly successful in providing reablement and rehab facilities to the Clinical Commissioning Group and have helped 74 people leave hospital quicker than they would have previously experienced. There is a lack of specialised dementia knowledge and units in the County.

The direction set nationally and by Local Government is focused on six key areas which the Charity will seek to address and assist are;

- Supporting Independence
Doing as much as we can to promote a culture of recovery and independence.
LFC is ahead of the curve with this in supporting the reablement scheme, respite care and the development of community hubs.
- Appropriate Housing
Enabling people to stay at home, adapting, or that they have access to appropriate alternatives.
The Royal Gardens flats promote independence and assists in signposting people to appropriate alternatives as and when needed. There is also a trend to utilise technology far more widely over the coming years.
- Community Support
Access to an organised network of resources in their communities or nearby.
LFC assists with this in providing Community Hubs, Alzheimer's Café, Parkinson's Support Group, Memory Awareness Support Team (MAST), and Falls Awareness Support Team (FAST).
- Rehabilitation, recovery and reablement
Providers to assist in returning as much independence as possible to people in the County.
To date LFC have helped 74 people under the reablement scheme across the group.
- Flexible Long-Term Support
Supporting people to retain independence for as long as possible.
Royal Court is a shining example of this with the flat concept and independent living.
- Sustainability
Providers that are strong and stable.
LFC own their properties and is financially stable.

Equal access to our services is an important issue for us. We monitor access to our services by colour, race, ethnicity, religion, sex and sexual orientation and we seek regular feedback from residents and relatives.

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The main areas of charitable activity continues to be the provision of the very best in elderly care irrespective of financial circumstances in a safe, friendly and supportive environment in our assisted living, residential homes and nursing homes, meeting individual needs, particularly in the onset of dementia.

However, the impact of our work goes far beyond those we help directly and includes reducing the distress suffered by families and friends caring for elderly people. Our active liaison with local community groups and with the Social Services has helped significantly in reducing those concerns and has created better local understanding of our work. The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County.

Risk Management

Each Trustee Committee is assigned certain risks from the Charity's Risk Register which are reviewed, documented and tested during the year. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors. The continuing implementation of the Care Quality Commission and Local Authority Standards ensure a consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

The major risks to which the Charity is exposed are as follows:

Charity lacks direction: To mitigate this risk the Charity ensures the Strategy is discussed at every Board meeting alongside twice-yearly Strategy Away Days.

Disaster Recovery & Planning: Annually the CEO, with the Senior Management Team and Home Managers, reviews and updates the Business Continuity Plan for completeness.

Dependency on income sources: The Charity ensures it has an open relationship with the Local Government and has set-aside specific designated reserves should there be a change in Policy that affects income. The Charity is also looking at ways to diversify its income streams.

IT: The Charity meets annually with its chosen IT provider to discuss contingency plans, security and robustness of its systems, including cyber-risk and data recovery. It also remains in regular communication throughout the year. The Charity upgraded its infrastructure during the year and is now accredited under the Cyber Essentials Scheme.

Financial Review

Occupancy for the Group in 2018 was 91.8% (2017: 92.1%), which was on budget.

Income for the year was £11.230million (2017: £11.031million). Although fees did increase marginally in the year, our aim is to keep fees well below the average market rate.

The increase in income is mainly due to all our homes experiencing very strong occupancy in what was a very challenging year in the Care Sector, coupled with the full year of Resthaven Nursing Home and the success of our Day Centre. Throughout the year the Charity continued to invest in the facilities and improved the fabric of all of the buildings. Capital Expenditure totalled £1.257million for the year, which included the purchase of Wychwood House on the Royal Court site, the building of a new communal space at Astell and improvements to all other facilities.

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Charitable activities expenditure increased to £10.810million (2017: £10.044million). An increase on the prior year, in the main due to the increase in the number of residents we care for and the first full year of the merger of Resthaven into our Charity. Added to this is our commitment to increase the pay of all our staff year on year. This will be the sixth year we increased our team's wages.

Support Costs remained at 8% (2017: 8%) of income as we continue to ensure we operate the Charity in the most efficient way possible utilising as much of our resources as possible to deliver care.

Financial assistance to residents remained stable at £1,316,854 (2017: £1,326,066) as planned and in line with our strategy. Next year we envisage this increasing slightly as we widen our breadth of care.

The Charity operates from a very strong platform of financial scrutiny, prudence and stability. Net Surplus was £384,580 for the year (2017: £299,999 after taking out the gifted trade and assets of Resthaven).

With the aid of sound financial management and the support of our staff we generated a positive financial outcome for the period in what has been recognised nationally as some of the most challenging times in the Adult Social Care sector.

Principal Funding Sources

The Charity's principal sources of funding are from residents:

- Self-funding
- Those paying a proportion of their care as deemed by the Local Authority
- Fully funded Local Authority or Clinical Commissioning Group residents.

The Charity received donations and other contributions to costs from various organizations such as the RAF Benevolent Fund, Civil Service Benevolent Fund and the Royal Agricultural Benevolent Fund.

Investment Policy

During the year, the Charity maintained its investments under management by Thesis Asset Management. In line with the Investment Policy, the primary objective is to preserve capital and generate prudent capital growth over the long term. The income and capital growth from these investments will be used to facilitate future plans and strategies of the Charity. At the year-end these investments were valued at £545,792 (2017: £562,530). The Charity also currently owns 6,800 shares in the Merchants Trust which were left as part of a legacy. As at year-end these were valued at £31,155 (2017: £33,864). The charity also owns £100 of share capital in Lilian Faithfull Trading Limited.

Reserves Policy

Total reserves at 31 December 2018 were £9,061,877 (2017: £8,677,297), of which £nil (2017: £12,619) was Restricted, £1,312,503 (2017: £2,029,466) was Designated and £7,749,375 (2017: £6,635,212) was Unrestricted.

During the year the Trustees continued with the policy of designating unrestricted funds for specific use without restricting or committing the funds legally. These funds as stated in note 21 to the financial statements are for varying uses, all of which have a purpose and timeline for expense.

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

It has established a policy whereby the unrestricted funds not assigned to tangible fixed assets held by the Charity ('Free Reserves' and 'Designated Funds') should cover only the essential operating costs of the Charity. The Trustees have set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

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The Charity has continued to invest substantial sums into the buildings in recent years and have a constant programme of refurbishment, development and investment to maintain excellent facilities for our Residents. As a result of the purchase of Royal Court in 2016 the Charity entered into a £3.4m loan (at the end of 2018:£3.2m), and with the merger of Resthaven in 2017 brought in a bank loan of £1m (at the end of 2018:£950k). As part of the Reserves policy it has been agreed that this amount is added back to the Free Reserves figure stated in note 19.

The current level of Free Reserves and Designated Funds is £974,657 (2017: £537,911). The level of Free Reserves including tangible fixed assets is £13,199,438 (2017: £13,010,655).

The Charity has substantial insurance provision in place covering business interruption, building repair, flood/fire and damage policies, loss of income and loss of registration.

Regular updates and monitoring of these reserves is carried out to ensure that a surplus is achieved and cash flow is adequate for the needs of the Charity. Any amount over this is expected to be utilised principally to fund the further development of properties or provide additional services related to the provision of care to our residents.

Dormant Subsidiary

The Charity has a wholly-owned dormant subsidiary, Lilian Faithfull Trading Limited.

Plans for Future Periods

The Charity reviews its strategic objectives annually which resulted in a focused five year strategic plan for the period 2019-2023 being set. In Summary:

Core Plans

- Ensure all our homes continue to be CQC compliant.
- Occupancy remains at least 90%.
- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
- Increasing our profile across the County.

Strategic

- Explore further Day Care provision in the County.
- Explore the opportunity to grow the Charity through acquisition of suitable facilities.
- Look to diversify into new areas such as affordable housing and investigate other income sources.

Properties and services

- Continue with refurbishing our Estate, ensuring they are always fit for purpose.
- Develop the Lilian Faithfull Care brand to demonstrate our breadth of services and heritage.
- Investigate technology in care and partner with University of Glos and other bodies.
- Supporting more student nurses at St Faiths, Resthaven and Faithfull House.

Structure, Governance and Management

The Board of Trustees appoints a Chief Executive to manage the operational aspects of the Charity and they are supported by a Senior Management Team with key responsibilities made up of a Director of Care, Director of Finance and Director of HR. These roles are further supported by the following Committees, made up of Trustees:

- Finance Committee.
The purpose of this Committee is to take delegated responsibility on behalf of the Board for overseeing all financial aspects of the Charity in order to ensure short and long-term viability.

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FOR THE YEAR ENDED 31 DECEMBER 2018

- Quality, Care and HR Committee
The purpose of this Committee is to; review all external statutory reports, receive and consider all Nominated Individual Reports and report to the Board. Monitor complaints and comments and receive regular reports on this.
- Salaries and Benchmarks
The Charity reviews its care operation salaries and Senior Management Team against industry standards and independent care focus groups such as the National Care Forum.

Recruitment and Appointment of Directors

The directors of the Company are also Trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the Trustees are elected to serve for a period of three years, up to a maximum of twelve years. The longest serving Trustees are required to retire in rotation at the AGM and can put themselves for re-election if they wish.

Trustees give their time voluntarily and received no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the notes to the financial statements.

Due to the nature of elderly care much of the Charity's work inevitably focuses upon the elderly. Trustees seek to ensure that the needs of this group are appropriately reflected through the diversity of the Board of Trustees. The more traditional business and Care Sector skills are well represented on the Board of Trustees. In an effort to maintain this broad skill mix, members of the Board are requested to provide a list of their skills (and update it each year).

In the event of particular skills being lost due to retirements, suitable replacements are sought by placing advertisements in the local press. Applications are put before the Heads of each Committee for selection before interview and any appointment.

In line with the Charity's policies, Trustees are selected to ensure suitability for the role irrespective of colour, race, ethnicity, disability, religion, sex or sexual orientation.

Trustee Induction and Training

New Trustees undergo an orientation day where they tour the Homes, meet key employees and are introduced to the other Trustees. Trustees receive a copy of the Trustee Information Pack, which includes a copy of the Memorandum and Articles of Association, Committee Terms of Reference, the Business Plan, recent financial performance reports and a copy of CC3 – The Essential Trustee.

During the year, Trustees undertook training on Governance, Charity Commission updates, employment and regulatory advice with a further workshop on Safeguarding specific to the Charity Sector.

Trustee Benefits

All Trustees give of their time freely and no remuneration was paid in the year. No Trustee or person connected with a Trustee received any benefits.

Recruitment of Staff and Employee Information

Staff are recruited from different sources which include; Advertisements in local press, 'Staff Get Staff' financial incentive scheme and Word of mouth.

On successful completion of an interview new recruits are entered into a comprehensive induction programme over a one week period followed by shadow support until they are competent to carry out their role. Throughout their first six months they are supported in a monthly new staff support group meeting with regular visits from our compliance officer.

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In line with the Charity's policies, staff are selected to ensure suitability for the role irrespective of colour, race, ethnicity, disability, religion, sex or sexual orientation.

Staff are regularly kept informed of the plans of the Charity. This takes the form of information on the intranet, Staff Forums, regular staff meetings, staff Newsletter, social media and regular visits from the Director of Care and the Chief Executive. The Human Resources team also holds a monthly clinic in each Home to discuss any matters arising.

There are well documented reports of staff shortages in the sector, at Lilian Faithfull our vacancy rate is half the national average, due to the incredible commitment of our teams, but also due to the Charity's aims to look after them in the Lilian Faithfull Family.

The second annual staff survey showed improvement in all areas particularly that 97% of staff would recommend the Charity as a good place to work, up from 92% the prior year.

Governing Document

The organisation was incorporated as a Private Limited Company under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Charity Governance Code

The Charity Governance Code was reviewed by the Trustees during the year, and it was felt that no changes need to be made to LFC's governance at this point, although this will be kept under review. A Governance Manual is maintained by the Charity with advice from its retained solicitors. The Manual also provides the framework for general management policies, financial policies and Terms of Reference for the Board and its Committees.

Fundraising disclosures

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by: *8th May 2019*



Ms G Pyatt
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE

We have audited the financial statements of Lilian Faithfull Care for the year ended 31 December 2018 which comprise the Statement of financial activities, Balance sheet, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE
(CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report included within the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 10, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 5 June 2019

LILIAN FAITHFULL CARE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME:					
Donations and legacies	2	103,757	24,671	128,428	44,282
Grant of Resthaven trade and assets	2	-	-	-	715,562
<i>Charitable activities</i>					
Provision of care	3	10,985,686	-	10,985,686	10,244,804
Investment income	4	23,907	-	23,907	16,390
Other income	5	9,882	-	9,882	10,190
Surplus on sale of fixed asset	5	82,052	-	82,052	-
TOTAL INCOME		<u>11,205,284</u>	<u>24,671</u>	<u>11,229,955</u>	<u>11,031,228</u>
EXPENDITURE ON:					
<i>Charitable activities</i>					
Provision of care	6	10,810,768	-	10,810,768	10,044,076
TOTAL EXPENDITURE		<u>10,810,768</u>	<u>-</u>	<u>10,810,768</u>	<u>10,044,076</u>
Net (losses)/gains on investments	13	(34,607)	-	(34,607)	27,985
NET INCOME		<u>359,909</u>	<u>24,671</u>	<u>384,580</u>	<u>1,015,137</u>
Transfers between funds	21	37,290	(37,290)	-	-
NET MOVEMENT ON FUNDS		<u>397,199</u>	<u>(12,619)</u>	<u>384,580</u>	<u>1,015,137</u>
Reconciliation of funds:					
Total funds brought forward	21/23	<u>8,664,678</u>	<u>12,619</u>	<u>8,677,297</u>	<u>7,662,160</u>
TOTAL FUNDS CARRIED FORWARD	21	<u>9,061,877</u>	<u>-</u>	<u>9,061,877</u>	<u>8,677,297</u>

The notes on pages 18 to 38 form part of these financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2018
COMPANY NUMBER 06461263

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		12,224,797		12,472,744
Investments	13		577,047		596,495
			<u>12,801,844</u>		<u>13,069,239</u>
CURRENT ASSETS					
Debtors	14	662,821		664,471	
Cash at bank and in hand	15	962,681		608,212	
		<u>1,625,502</u>		<u>1,272,683</u>	
LIABILITIES					
Amounts falling due within one year	16	<u>(1,437,280)</u>		<u>(1,527,073)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>188,222</u>		<u>(254,390)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,990,066		12,814,849
Creditors: Amounts falling due after more than one year	17		<u>(3,928,189)</u>		<u>(4,137,552)</u>
TOTAL NET ASSETS			<u>9,061,877</u>		<u>8,677,297</u>
THE FUNDS OF THE CHARITY					
Unrestricted General Funds	21		9,061,877		7,949,116
Unrestricted Resthaven Funds	21		-		715,562
Restricted Funds	21		-		12,619
TOTAL CHARITY FUNDS			<u>9,061,877</u>		<u>8,677,297</u>

The financial statements were approved and authorised for issue by the Trustees on 8th May 19 and signed on their behalf, by:


Ms G Pyatt
Trustee

The notes on pages 18 to 38 form part of these financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	25	756,133	1,431,099
Cash flows from investing activities			
Income from investments		23,907	16,390
Purchase of property and equipment		(1,257,210)	(3,038,705)
Purchase of investments		(193,803)	(139,307)
Proceeds from sale of investments		200,374	135,498
Proceeds from sale of property and equipment		1,055,199	-
Net cash used in investing activities		(171,533)	(3,026,124)
Cash used in financing activities			
Cash inflows from new borrowings		-	1,009,000
Repayment of borrowings		(208,402)	(78,897)
Net cash (used in)/provided by financing activities		(208,402)	930,103
Change in cash and cash equivalents in the reporting period		376,198	(664,922)
<i>Cash and cash equivalents at the beginning of the reporting period</i>		624,615	1,289,537
Cash and cash equivalents at the end of the reporting period	26	1,008,813	624,615

The notes on pages 18 to 38 form part of these financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

Lilian Faithfull Care is a private company limited by guarantee, (company number no. 06461263) and registered with the Charity Commission (registered number 1122183 in England and Wales). During the year Lilian Faithfull Homes changed its name to Lilian Faithfull Care. The address of its registered office is Ground Floor West, Festival House, Jessop Avenue, Cheltenham, Gloucestershire, England, GL50 3SH. This is also the registered address of its dormant subsidiary Lilian Faithfull Trading Limited.

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and Companies Act 2006. The financial statements have been prepared under historical cost convention with the exception of investments which are included at market value.

Lilian Faithfull Care meets the definition of a public benefit entity under FRS 102.

Under Section 405 of the Companies Act 2006, consolidated accounts have not been prepared as the inclusion of the dormant subsidiary is not material for the purpose of giving a true and fair view. Therefore these financial statements present information on the parent entity as an individual undertaking only.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Fund accounting

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

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

Restricted funds are donations or legacies received which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects undertaken. The specific restrictions on each fund is set out in the notes to the financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of a probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material to the Charity.

Investment income is recognised when received, or if declared and receivable. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

1.5 Expenditure

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include costs of constitutional and statutory requirements, costs of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

1.6 Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the Charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. They consider that there are no material uncertainties over the Charity's financial viability. Accordingly, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. On-going projects may have individual costs below this value however they are capitalised as the overall costs of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	Nil
Freehold building	-	2%-5% of cost
Motor vehicles	-	20% of cost
Furniture & equipment	-	20% of cost

1.8 Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

1.9 Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.11 Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

1.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors, investments and loans.

1.13 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

1.15 Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of financial activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

1.16 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to consider making any significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors:

- **Useful economic lives of tangible fixed assets**
The annual depreciation charges for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See Note 12 for the carrying amount of the tangible fixed assets and Note 1.7 for the useful lives for each class of asset.
- **Impairment of debtors**
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. DONATIONS AND LEGACIES

	Restricted funds £	Unrestricted funds £	Total funds 2018 £	Total funds 2017 £
Donations and gifts	24,671	-	24,671	44,282
Resthaven grant – fair value of donated trade and assets	-	-	-	715,562
Legacies	-	103,757	103,757	-
	<u>24,671</u>	<u>103,757</u>	<u>128,428</u>	<u>759,844</u>

3. PROVISION OF CARE

	Total funds 2018 £	Total funds 2017 £
Residents' fees	10,973,979	10,234,140
Contributions to running costs	<u>11,707</u>	<u>10,664</u>
	<u>10,985,686</u>	<u>10,244,804</u>

4. INVESTMENTS

	Total funds 2018 £	Total funds 2017 £
Interest receivable	7,525	1,673
Income from listed investments	<u>16,382</u>	<u>14,717</u>
	<u>23,907</u>	<u>16,390</u>

5. OTHER INCOME

	Total funds 2018 £	Total funds 2017 £
Other income	9,882	10,190
Surplus on sale of tangible fixed assets – Including Dowty House	<u>82,052</u>	-
	<u>91,934</u>	<u>10,190</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. CHARITABLE ACTIVITIES: PROVISION OF CARE

	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Contract catering	494,654	-	494,654	485,797
Establishment costs	496,745	-	496,745	452,531
Repairs and maintenance	532,191	-	532,191	537,565
Advertising	97,859	-	97,859	86,478
Office expenses	97,903	-	97,903	89,457
Printing, postage and stationery	-	46,575	46,575	52,741
Subscriptions and publications	28,376	-	28,376	16,207
Equipment hire	8,039	-	8,039	10,493
Residents welfare and activities	80,946	-	80,946	75,565
Cleaning, medical costs, uniform	193,424	-	193,424	235,748
Motor expenses	25,498	-	25,498	14,217
Legal and professional costs	-	106,258	106,258	85,988
Bank charges & interest	-	106,336	106,336	80,817
Other employment costs	414,248	-	414,248	286,443
Wages and salaries	6,284,698	654,394	6,939,092	6,530,751
National insurance	508,362	-	508,362	466,360
Pension cost	83,221	-	83,221	46,457
Depreciation	532,009	-	532,009	471,224
Governance costs	-	19,032	19,032	19,169
Loss on sale of fixed assets	-	-	-	68
	<u>9,878,173</u>	<u>932,595</u>	<u>10,810,768</u>	<u>10,044,076</u>

7. GOVERNANCE COSTS

	2018 £	2017 £
Auditor's remuneration	18,720	18,720
Auditor's remuneration – non audit	270	270
Other Governance costs	-	179
	<u>19,032</u>	<u>19,169</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. CHARITABLE EXPENDITURE

	Staff costs £	Depreciation £	Other costs £	Total 2018 £	Total 2017 £
Care costs	4,881,271	-	414,248	5,295,519	4,761,690
Welfare	1,912,829	-	1,026,697	2,939,526	3,021,352
Premises	55,055	532,009	1,028,937	1,616,001	1,415,034
Support costs	681,520	-	278,201	959,721	846,000
	<u>7,530,675</u>	<u>532,009</u>	<u>2,748,083</u>	<u>10,810,767</u>	<u>10,044,076</u>

9. TAXATION

The company is a registered charity and is therefore, entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

10. NET INCOME FOR THE YEAR

This is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	532,009	471,224
Auditor's remuneration – audit services	15,600	15,600
Auditor's remuneration – non-audit services	260	4,950
Hire of plant and machinery	8,039	10,493
(Profit) / Loss on disposal of tangible fixed assets	(82,052)	68
Operating lease expense		
- land and buildings	28,323	28,323
- other	65,749	60,429
Bank loan interest	<u>101,737</u>	<u>76,099</u>

During the year, no Trustees received any remuneration (2017: None).

During the year, no Trustees received reimbursement of expenses (2017: One Trustee £119 for travel & subsistence).

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	6,939,092	6,530,752
Social security costs	508,362	466,360
Other pension costs	83,221	46,456
	<u>7,530,675</u>	<u>7,043,568</u>

Included within other employment costs are redundancy and settlement costs totaling £10,733 (2017: £19,000) for employees that left the Charity.

The average monthly head count was 435 employees (2017: 426) and the average full time equivalent number of employees during the year was 335 (2017: 317).

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	<u>1</u>	<u>-</u>

The key management personnel (other than Trustees who are not remunerated) of the Charity are the Chief Executive Office, the Director of Care, Head of Human Resources and the Director of Finance. The remuneration for this team totals £276,804 (2017: £262,981). This includes gross salary, benefits, employer's national insurance and employer's pension contributions.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Motor vehicles £	Furniture & equipment £	Total £
Cost				
<i>At 1 January 2018</i>	11,788,992	156,392	3,108,165	15,053,549
Additions	701,947	9,560	545,703	1,257,210
Disposals	(933,879)	(5,040)	(253,049)	(1,191,968)
At 31 December 2018	11,557,060	160,912	3,400,819	15,118,791
Depreciation				
<i>At 1 January 2018</i>	392,068	93,947	2,094,790	2,580,805
Charge for the year	165,230	25,672	341,107	532,009
On disposals	(39,101)	(4,032)	(175,687)	(218,820)
At 31 December 2018	518,198	115,587	2,260,210	2,893,994
Net book value				
At 31 December 2018	11,038,863	45,325	1,140,609	12,224,797
<i>At 31 December 2017</i>	<i>11,396,924</i>	<i>62,445</i>	<i>1,013,375</i>	<i>12,472,744</i>

Included in freehold land and buildings above is a property purchased in the year and being converted. The total costs for the period are £408,397. This property is not currently in use and therefore no depreciation has been charged during the year.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. FIXED ASSET INVESTMENTS

	Listed securities £	Shares in group undertaking £	2018 Total £	2017 Total £
Cost				
<i>At 1 January 2018</i>	596,395	100	596,495	559,342
Additions	193,803	-	193,803	139,307
Disposals	(200,374)	-	(200,374)	(135,498)
(Losses) / gains on investments	(34,607)	-	(34,607)	27,985
Movement in cash held as investments	21,730	-	21,730	5,359
At 31 December 2018	<u>576,947</u>	<u>100</u>	<u>577,047</u>	<u>596,495</u>
Historical cost	<u>500,699</u>	<u>100</u>	<u>500,799</u>	<u>500,858</u>

At the year end cash held by the investment managers totaled £38,312 (2017: £16,403).

At the year end the Charity held shares in the following which comprised more than 5% of the total portfolio:

	Market value £	% of portfolio
Federated Stg Cash Plus 3	38,020	7
Investec Gbl Tot Rtn Cred K2 Gbp Inst	30,189	6
Intl Pub Partners Ord Gbp0.0001	29,964	6
3I Infrastructure Ord Npv	27,671	5
Royal London Corp Bd 'Z' Inst	27,528	5
L&G Uk Prop 'I' Inst	<u>25,929</u>	<u>5</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. FIXED ASSET INVESTMENTS (CONTINUED)

The following were subsidiary undertakings of the company:

Name	Holding
Lilian Faithfull Trading Limited (Ordinary Shares of £1 each)	100%

Lilian Faithfull Trading Limited did not trade during the current or preceding financial year and therefore made neither profit nor loss. As at 31 December 2018, the entity had total Shareholders' Funds of £1,029 (2017: £1,029).

14. DEBTORS

	2018	2017
	£	£
Trade debtors	427,797	457,590
Other debtors	29,743	21,087
Prepayments and accrued income	205,281	185,794
	<u>662,821</u>	<u>664,471</u>

15. CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	942,322	583,289
Notice deposits	20,359	24,923
	<u>962,681</u>	<u>608,212</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. CREDITORS:

Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	363,071	370,837
Taxation and social security	253,101	276,854
Wages and salaries	519,362	547,862
Other creditors	21,114	14,802
Accruals and deferred income	71,246	108,293
Bank loans	209,386	208,425
	1,437,280	1,527,073

17. CREDITORS

Amounts falling due after one year

	2018	2017
	£	£
Bank loans	3,928,189	4,137,552

At the 31 December 2018 there were two (2017: two) bank loan balances of £3,187,500 and £950,075 respectively (2017: £3,357,500 and £987,019).

The first loan is secured by means of a first legal charge over Royal Court Care, Fiddler's Green, Cheltenham, Gloucestershire and a legal charge over St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire and bears interest of 1.58%. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire bears interest of 1.95%.

The loans are not due for repayment until August 2026 and April 2027 respectively.

Maturity of Bank Loan

	2018	2017
	£	£
Due within one year	209,386	208,425
Due within one to two years	210,371	209,386
Due within two to five years	637,271	634,166
Due in more than five years	3,080,548	3,294,000
	4,137,576	4,345,977

LILIAN FAITHFULL CARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

18. CAPITAL COMMITMENTS

The Charity had no capital commitments at 31 December 2018 (2017: £Nil).

19. OPERATING LEASE COMMITMENTS

At 31 December 2018 the Charity had total commitments under non-cancellable operating leases as follows:

	2018		2017	
	Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
Within 1 year	28,323	76,496	28,323	60,861
Between 2 and 5 years	113,293	132,872	113,293	130,985
After more than 5 years	42,485	11,304	70,808	27,950
Total	184,101	220,673	212,424	219,796

20. PENSION SCHEME

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Charity to the scheme and amounted to £83,221 (2017: £46,456).

At the end of the year outstanding contributions amounted to £20,170 (2017: £10,710), as included within other creditors in these financial statements.

All pension charges are charged to unrestricted funds, in-line with the fund out of which the wages and salaries are paid.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. SUMMARY OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FUNDS

	<i>Brought Forward</i> £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Edith Bell Fund	62,365	-	-	-	(2,720)	59,645
Emergency Maintenance Fund	750,000	-	-	-	-	750,000
Assisted Places Fund	500,000	-	-	-	-	500,000
Staff Fund	5	-	(5,773)	5,782	-	14
Resthaven donated trade and assets	715,562	-	-	(715,562)	-	-
Residents Fund	1,534	-	(3)	1,313	-	2,844
	<u>2,029,466</u>	<u>-</u>	<u>(5,776)</u>	<u>(708,467)</u>	<u>(2,720)</u>	<u>1,312,503</u>
General funds						
Free Reserves	(5,837,532)	11,205,284	(10,491,802)	680,514	(31,887)	(4,475,422)
Tangible Fixed Assets	12,472,744	-	(313,190)	65,243	-	12,224,797
Total Unrestricted Funds	<u>8,664,678</u>	<u>11,205,284</u>	<u>(10,810,768)</u>	<u>37,290</u>	<u>(34,607)</u>	<u>9,061,877</u>
Restricted Funds						
The Late Ms Allinson Fund	10,619	-	-	(10,619)	-	-
The Late Susan Lang Fund	2,000	-	-	(2,000)	-	-
Merrett- Astell Conservatory	-	3,171	-	(3,171)	-	-
Creed- Astell Conservatory	-	10,000	-	(10,000)	-	-
Charles Irving- Astell Conservatory	-	10,000	-	(10,000)	-	-
Hatton- Staff Fund	-	1,500	-	(1,500)	-	-
Total Restricted Funds	<u>12,619</u>	<u>24,671</u>	<u>-</u>	<u>(37,290)</u>	<u>-</u>	<u>-</u>
TOTAL CHARITY FUNDS	<u>8,677,297</u>	<u>11,229,955</u>	<u>(10,810,768)</u>	<u>-</u>	<u>(34,607)</u>	<u>9,061,877</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. SUMMARY OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

DESIGNATED FUNDS

Edith Bell Fund

The Edith Bell Fund is used to purchase equipment for the enjoyment of residents of Lilian Faithfull Care.

Emergency Maintenance Fund

This fund has been set up to fund required maintenance of the Lilian Faithfull Care Estate.

Assisted Places Fund

This fund has been set-up to allow the Charity to help existing residents once they no longer afford to privately fund their place at the home. It is envisaged that this fund will primarily be used to fund residents where there is a legislation change around funding and we will need to support them financially.

Staff Fund

This fund is made up of donations from relatives of residents who have given money as a thank you to the staff of Lilian Faithfull Care.

Resthaven – donated trade and assets

During the 2017 year the trade and assets of the Resthaven Nursing home were gifted to Lilian Faithfull Care. This represented the fair value of the trade and assets and is therefore not cash available for working capital purposes. This was transferred to the free reserves during the year.

Residents Fund

This fund is made up of donations from relatives of residents who have given money to assist residents during their time at Lilian Faithfull Care.

RESTRICTED FUNDS

Conservatory funds -

During the year funds were donated towards the completion of the Astell Conservatory.

FUND TRANSFERS

A transfer was made from the restricted funds in the year to unrestricted funds. This transfer represents tangible fixed assets purchased from restricted funds and the restrictions have now been fulfilled.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Tangible fixed assets	12,224,797	-	12,224,797
Fixed asset investments	577,047	-	577,047
Current assets	1,625,502	-	1,625,502
Creditors due within one year	(1,437,280)	-	(1,437,280)
Creditors due after more than one year	(3,928,189)	-	(3,928,189)
	<u>9,061,877</u>	<u>-</u>	<u>9,061,877</u>

22a. ANALYSIS OF NET ASSETS BETWEEN FUNDS (2017)

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Tangible fixed assets	12,472,744	-	12,472,744
Fixed asset investments	596,495	-	596,495
Current assets	1,260,064	12,619	1,272,683
Creditors due within one year	(1,527,073)	-	(1,527,073)
Creditors due after more than one year	(4,137,552)	-	(4,137,552)
	<u>8,664,678</u>	<u>12,619</u>	<u>8,677,297</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

23. SUMMARY OF FUNDS (2017)

STATEMENT OF FUNDS

	<i>Brought Forward</i> £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Edith Bell Fund	59,934	-	-	-	2,431	62,365
Emergency Maintenance Fund	750,000	-	-	-	-	750,000
Assisted Places fund	500,000	-	-	-	-	500,000
Staff Fund	-	-	(5,827)	5,832	-	5
Resthaven donated trade and assets	-	715,562	-	-	-	715,562
Residents Fund	2,588	-	(3,220)	2,166	-	1,534
	<u>1,312,522</u>	<u>715,562</u>	<u>(9,047)</u>	<u>7,998</u>	<u>2,431</u>	<u>2,029,466</u>
General funds						
Free Reserves	(3,566,758)	10,303,666	(9,865,722)	(2,734,272)	25,554	(5,837,532)
Tangible Fixed Assets	9,905,777	-	(169,307)	2,736,274	-	12,472,744
Total Unrestricted funds	<u>7,651,541</u>	<u>11,019,228</u>	<u>(10,044,076)</u>	<u>10,000</u>	<u>27,985</u>	<u>8,664,678</u>
Restricted funds						
The Late Ms Allinson Fund	10,619	-	-	-	-	10,619
The Late Susan Lang Fund	-	2,000	-	-	-	2,000
Daycare Centre Fund	-	10,000	-	(10,000)	-	-
Total Restricted funds	<u>10,619</u>	<u>12,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>12,619</u>
TOTAL FUNDS	<u>7,662,160</u>	<u>11,031,228</u>	<u>(10,044,076)</u>	<u>-</u>	<u>27,985</u>	<u>8,677,297</u>

DESIGNATED FUNDS

Edith Bell Fund

The Edith Bell Fund is used to purchase equipment for the enjoyment of residents of Lilian Faithfull Care.

Emergency Maintenance Fund

This fund has been set up to fund required maintenance of the Lilian Faithfull Care Estate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Assisted Places Fund

This fund has been set-up to allow the Charity to help existing residents once they no longer afford to privately fund their place at the home. It is envisaged that this fund will primarily be used to fund residents where there is a legislation change around funding and we will need to support them financially.

Staff Fund

This fund is made up of donations from relatives of residents who have given money as a thank you to the staff of Lilian Faithfull Care.

Residents Fund

This fund is made up of donations from relatives of residents who have given money to assist residents during their time at Lilian Faithfull Care.

Resthaven – donated trade and assets

During the year the trade and assets of the Resthaven Nursing home were gifted to Lilian Faithfull Care. This represents the fair value of the trade and assets and is therefore not cash available for working capital purposes.

RESTRICTED FUNDS

Daycare Centre Fund

During the year £10,000 was donated towards the completion of the Daycare Centre.

FUND TRANSFERS

Staff and residents Funds

A transfer of £5,832 and £2,166 respectively were made from unrestricted funds to reflect the movements on these funds during the year.

A transfer was also made from the Daycare Centre Fund reflecting the use of the funds following the completion of the Secret Garden Daycare build, for which the fund was established.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income for the reporting period (as per the Statement of financial activities)	384,580	1,015,137
Adjustments for losses/(gains) on investments	34,607	(27,985)
Dividends and interest from investments	(23,907)	(16,390)
(Profit)/Loss on sale of tangible fixed assets	(82,052)	68
Depreciation charges	532,009	471,224
Decrease/(increase) in debtors	1,650	(233,456)
(Decrease) / increase in creditors	(90,754)	217,056
Net cash provided by operating activities	756,133	1,431,099

25. ANALYSIS OF NET FUNDS

	<i>Balance at 1 January 2018</i>	Cash Flows	Balance at 31 December 2018
	£	£	£
Cash at bank and in hand	608,212	354,469	962,681
Cash with broker awaiting reinvestment	16,403	21,729	38,132
	<u>624,615</u>	<u>376,198</u>	<u>1,000,813</u>

LILIAN FAITHFULL CARE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

26. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets		
Financial assets measured at amortised cost	1,512,059	1,093,707
Financial assets measured at fair value	577,047	596,495
Financial liabilities		
Financial liabilities measured at amortised cost	5,107,819	5,386,313

- Financial assets measured at amortised cost comprise of: cash at bank, trade debtors, other debtors and accrued income.
- Financial assets measured at fair value comprise of assets held as investments.
- Financial liabilities measured at amortised cost comprise trade creditors, wages and salaries, other creditors, accruals and bank loans.

27. RELATED PARTY TRANSACTIONS

At 31 December 2018 the Charity owed £864 (2017: £864) to Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.