Charity number 226621

The Friendly Societies Convalescent Scheme

Trustees' Report and Accounts

31 December 2025

The Friendly Societies Convalescent Scheme
Trustees' Report and Accounts
Contents

	Page
Reference and administration details	**1**
Trustees' report	**2 - 4**
Statement of Financial Activities	**5**
Balance sheet	**6**
Notes to the accounts	**7 - 11**
Independent Examiner's Report	**12**

The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees
Mrs Janet Lewis - Chairman from 2 July 2026
Mrs Janet M. Whitehead (formerly Clements) - Chairman until 1 July 2026
Mrs Joanne Andrew - resigned 30 June 2026
Mr Richard Darlington - appointed 24 July 2025
Mrs Dorothy Deacon - resigned 30 June 2026
Mrs Gail Lancaster - resigned 18 June 2026
Mr Anthony Lewis - appointed 29 May 2026
Mr John Potten - died 17 March 2025
Mr Peter Saunders
Mrs Angela Stanley - resigned 2 December 2025

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

Investment managers
Rathbones Investment Management Ltd
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Principal Address
48 Cudworth Road
Willesborough
Ashford
TN24 0BG

Charity registered number
226621

The Friendly Societies Convalescent Scheme

Trustees' Report
for the year ended 31 December 2025

The Trustees present their report and accounts for the year ended 31 December 2025.

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

Trustees' Report
for the year ended 31 December 2025

Trustees' report and financial review

During 2025 the Charity has continued to source a suitable website provider and to have our information leaflet updated. Unfortunately this has not progressed as we would have wished.
The Charity continues to be promoted via the Foresters and Oddfellows Friendly Societies together with personal recommendations from those having accessed the scheme.
We consider each claim on its own merits and offer various forms of accommodation depending on the individual needs of each applicant. With the closure of the majority of dedicated convalescent homes, the Trustees believe that the need for this kind of assistance remains hugely important and will look to improving publicising and promoting the Charity during 2026.
Funds continue to be available and well managed, and we look forward to an increase in claims during 2026 and into the future.

Total income for the year was £52,202 (2024: £51,230) and total expenditure was £41,122 (2024: £51,301). Net gains on investments amounted to £119,102 (2024: gains of £115,220) resulting in net surplus for the year of £130,182 (2024: net surplus of £115,239). At 31 December 2025 total funds were £2,414,844 of which £237,542 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 delivered a positive return of 6.8%, net of fees, during 2025. Despite heightened trade tensions and uncertainty surrounding US economic policy, global markets proved remarkably resilient over the year. Economic growth exceeded expectations, inflation continued to moderate across many major economies, and investors were encouraged by the prospect of lower interest rates. Equity markets were the primary driver of returns, supported by strong corporate earnings and continued enthusiasm for artificial intelligence-related technologies. The US market reached new highs during the year, while both UK and European markets also performed strongly. Gold provided particularly strong returns, benefiting from geopolitical uncertainty and investor demand for defensive assets.

Market volatility increased at times during the year, particularly as investors assessed the potential impact of US tariffs and wider trade policy developments. However, concerns that these measures would trigger a significant slowdown in global growth proved unfounded, and most major equity markets recovered well. Fixed income holdings continued to provide diversification within the portfolio, while the portfolio's broad exposure across different asset classes and regions helped support returns through periods of uncertainty.

Since the year end, investment markets have generally remained resilient despite ongoing geopolitical and economic challenges. The US economy has continued to demonstrate strength, while inflation has eased further in several major economies, allowing central banks to reduce interest rates. Equity markets have been supported by continued earnings growth, government stimulus measures in parts of Europe and ongoing investment in artificial intelligence infrastructure. Portfolio performance over 1H 2026 was 3.4%.

The Friendly Societies Convalescent Scheme

Trustees' Report
for the year ended 31 December 2025

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 13 August 2026



Mrs Janet Lewis
Chairman

The Friendly Societies Convalescent Scheme

Statement of Financial Activities
for the year ended 31 December 2025

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2025 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2024 £
Income from:							
Investments	**2**	**-**	**52,202**	**52,202**	-	51,320	51,320
Total income		**-**	**52,202**	**52,202**	-	51,320	51,320
Expenditure on:							
Raising funds	**3**	**15,070**	**3,967**	**19,037**	17,938	5,523	23,461
Charitable activities	**4**	**-**	**22,085**	**22,085**	-	27,840	27,840
Total expenditure		**15,070**	**26,052**	**41,122**	17,938	33,363	51,301
Net gains/(losses) on investment assets		**119,102**	**-**	**119,102**	115,220	-	115,220
Net income		**104,032**	**26,150**	**130,182**	97,282	17,957	115,239
Transfers							
Transfers between funds		**-**	**-**	**-**	-	-	-
Net movement in funds		**104,032**	**26,150**	**130,182**	97,282	17,957	115,239
Reconciliation of Funds							
Total Funds at 1 January 2025		**2,073,270**	**211,392**	**2,284,662**	1,975,988	193,435	2,169,423
Total Funds at 31 December 2025		**2,177,302**	**237,542**	**2,414,844**	2,073,270	211,392	2,284,662

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme

Balance Sheet
as at 31 December 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	**8**		**2,375,809**		2,235,516
- Cash held within portfolio			**22,879**		37,631
			2,398,688		2,273,147
Current assets					
Debtors	**9**	**785**		127	
Cash at bank	**10**	**19,854**		16,135	
		20,639		16,262	
Creditors: amounts falling due within one year	**11**	**(4,483)**		(4,747)	
Net current assets			**16,156**		11,515
Net assets			**2,414,844**		2,284,662
Represented by:					
Permanent Endowment Fund			**2,177,302**		2,073,270
Unrestricted Fund			**237,542**		211,392
Total Funds	**12**		**2,414,844**		2,284,662

Approved by the Trustees on 13 August 2026



Mrs Janet Lewis
Chairman

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
Notes to the Accounts
for the year ended 31 December 2025

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
Notes to the Accounts
for the year ended 31 December 2025

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**	**2025**	2024
		£	£
	Interest received		
	Nat West	**40**	52
	Rathbones Investment Management Ltd	**161**	-
	Investec Wealth & Investment Ltd	**231**	781
		432	833
	Rathbones portfolio	**34,483**	-
	Investec portfolio	**17,287**	50,487
		52,202	51,320

3	**Costs of raising funds**	**2025**	2024
		£	£
	Investment management costs	**15,070**	17,938
	Support and governance costs (see note 5)	**3,967**	5,523
		19,037	23,461

4	**Expenditure on charitable activities**	**2025**	2024
		£	£
	Grants payable (see note 6)	**10,186**	11,270
	Support and governance costs (see note 5)	**11,899**	16,570
		22,085	27,840

The Friendly Societies Convalescent Scheme
Notes to the Accounts
for the year ended 31 December 2025

5 Analysis of support and governance costs

	2025	2024
	£	£
Support costs		
Staff costs (note 7)	**10,721**	17,160
PO Box	**440**	416
Bank charges	**396**	501
Sundry expenses	**35**	(4)
	11,592	18,073
Governance costs		
Accountancy and independent examination	**4,200**	4,020
Meeting expenses	**74**	-
	4,274	4,020
Total	**15,866**	22,093

	2025	2024
	£	£
Allocated:		
Costs of raising funds (25%) (note 3)	**3,967**	5,523
Charitable activities (75%) (note 4)	**11,899**	16,570
	15,866	22,093

6 Grants payable

	2025	2024
	£	£
Paid to individuals	**10,186**	11,270
	10,186	11,270

7 Staff costs, trustee remuneration and related party transactions

	2025	2024
	£	£
Gross salaries	**10,721**	17,160
Employer's national insurance	**-**	-
	10,721	17,160

The average number of employees during the year was 1 (2024: 1).

From July 2025, one Trustee received remuneration of £5,000 for carrying out the role of Administrator (2024: £nil). The other Trustees confirm that the amount paid is in the charity's best interests and reasonable for the service provided. One trustee received reimbursement of expenses in the year of £24 (2024: £nil). There were no other related party transactions.

Total emoluments received by the charity's key management personnel was £10,721 (2024: £17,160).

The Friendly Societies Convalescent Scheme
Notes to the Accounts
for the year ended 31 December 2025

8 Investments

	Listed investments
Market value	**£**
At 1 January 2025	**2,235,516**
Additions at cost	**500,206**
Disposals at carrying value	**(500,790)**
Net gain on revaluation	**140,877**
At 31 December 2025	**2,375,809**
Historical cost at 31 December 2025	**2,061,102**

Listed investments at fair value comprised:	**2025**	2024
	£	£
UK fixed interest	**377,221**	358,461
Overseas fixed interest	**103,971**	96,714
UK equities	**158,495**	135,887
International equities	**1,428,860**	1,315,656
Emerging economies	**36,255**	59,170
Property	**38,903**	33,626
Alternative assets	**232,104**	231,002
Money market instruments	**-**	5,000
	2,375,809	2,235,516

9 Debtors

	2025	2024
	£	£
Accrued income	**652**	-
Prepayments	**133**	127
	785	127

10 Cash balances

	2025	2024
	£	£
Nat West	**19,854**	16,175

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
PAYE & NI	**816**	678
Accruals	**3,667**	4,069
	4,483	4,747

The Friendly Societies Convalescent Scheme
Notes to the Accounts
for the year ended 31 December 2025

12 Movement in Funds

	B/fwd at 1st Jan 2025	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2025
	£	£	£	£	£
Permanent Endowment Fund	**2,073,270**	**-**	**(15,070)**	**119,102**	**2,177,302**
Unrestricted Fund	**211,392**	**52,202**	**(26,052)**	**-**	**237,542**
	2,284,662	**52,202**	**(41,122)**	**119,102**	**2,414,844**

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

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 2025
	£	£	£
Fixed assets investments	**2,398,688**	**-**	**2,398,688**
Cash at bank	**-**	**19,854**	**19,854**
Other current assets	**(221,386)**	**217,688**	**(3,698)**
At 31 December 2025	**2,177,302**	**237,542**	**2,414,844**

Analysis of Net Assets Between Funds	Permanent 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

The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2025

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2025 which are set out on pages 5 to 11.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

(1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or

(2) the accounts do not accord with those records; or

(3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Daniel Valentine ACA
Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
Kent
TN25 6SX
20 August 2026