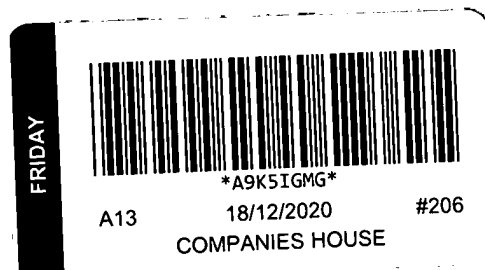


COMPANY NO: 1089026
CHARITY NO: 502224
RSH NO: H3158

St Anne's Community Services
Annual report and financial statements
For the year ended 31 March 2020



ST ANNE'S COMMUNITY SERVICES

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COMPANY INFORMATION

The Trustees, who are Directors of St Anne's Community Services, have pleasure in presenting their annual report and financial statements for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with our governing document, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2018 for registered social housing providers preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

St Anne's Community Services is a company limited by guarantee. It is registered with the Charity Commission and is also a registered housing provider regulated by the Regulator of Social Housing (RSH). Details of the Trustees and other corporate information are set out below:

Board of Trustees who served during the year

I McIntosh (Chair)
T Moran (Vice Chair until 17 July 2019,
resigned as a trustee on 25 March 2020)
J Riley (Vice Chair from 17 July 2019)
P Brown
S Durham (resigned 9 October 2019)
K Beckett (resigned 29 November 2019)
J Dunmore (resigned 31 July 2019)
P Roberts
G Osborne
P Garnett
G Dalton (appointed 28 January 2020)
B Machin (appointed 4 February 2020)
M Turnbull (appointed 8 February 2020)
T Watters (appointed 4 February 2020)

Company Registered Number	1089026
Charity Commission Number	502224
External Auditors	Mazars LLP 5th Floor, 3 Wellington Place, Leeds, LS1 4AP
Bankers	Unity Trust Bank plc Four Brindley Place, Birmingham, B1 2JB
Solicitors	Bevan Brittan LLP 7 th Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ DAC Beachcroft LLP 23 Park Square South, Leeds, LS1 2ND
Advisors	Mercer Limited 1 Whitehall Quay, Whitehall Road, Leeds, LS1 4HR Purple Wealth Management LLP 50 Burley Hill Business Centre, Burley Road, Leeds, LS4 2PU

ST ANNE'S COMMUNITY SERVICES
Trustees' report

CHAIR'S WELCOME

St Anne's Community Services continues to stay committed to its core values as a person-centred organisation, delivering excellent quality care and support in a dignified and respectful way.

We have faced unprecedented operational and financial challenges in 2019/20, which were exacerbated by the Covid-19 pandemic. But through great spirit and teamwork, our highly professional staff have managed resourcefully, continuing to provide excellent care and support for our clients while adapting well to a changing working environment.

As with previous years, St Anne's continues to focus on:

- Our clients, ensuring excellent quality and continuity of care and support - enabling individuals to achieve their personal goals;
- Ensuring our organisation is financially sustainable, and can respond positively to the changing needs of the social care sector; and
- Investing in our staff so that they can continue to grow professionally and make a difference to the lives of the people we support every day.

Clients and Quality

Our clients are at the forefront of everything we do, and St Anne's continues to strive to "make a difference every day". It is very gratifying to report that our Care Quality Commission (CQC) ratings have remained consistently high with 94% of services rated 'Outstanding' or 'Good', which is 10% above the national average for the sector.¹ Furthermore, all our registered services are rated 'Outstanding' or 'Good' for Caring.

Change

St Anne's is a charity and the Trustees are responsible for ensuring it can provide care and support to clients and remain sustainable, not just today, but in the years to come. Our services must be financially viable to ensure we can continue to reinvest and innovate our service delivery models to respond to the evolving needs of the people we support.

Our financial performance for 2019/2020 reflects the challenges within the social care sector and the initial effect of the Covid-19 pandemic, which has had a dramatic impact on a worldwide scale. Despite this, our underlying trading results are not dissimilar to the previous year at a controllable surplus level. The results benefit from a one-off property disposal, but then are significantly adversely affected by the FRS 102 pensions adjustment. These results therefore simply re-emphasise the need to develop new services as well as extending our existing high-quality services and standards into new areas.

We are currently reviewing our strategic plan and, as St Anne's marks its 50th anniversary next year, we will celebrate our past success and look forward to presenting a new strategic vision that is bold, optimistic and responds positively to the challenges of an evolving health and social care sector.

Our people

Our people are our key asset. As such we are committed to continuous development and investment in training and support, evidenced in our consistently high CQC ratings. Our teams deliver excellent care and support to the most vulnerable people in society in what can be very challenging environments. The success of our teams in managing through the first months of Covid-19, often going above and beyond their usual already high standards, is testament to their expertise and commitment to the people we support. Our client representative groups have been clear in reflecting their own thanks to staff at this difficult time.

¹ National average statistics for CQC ratings in these accounts are taken from "The State of Health Care and Adult Social Care in England 2018/19", Care Quality Commission

ST ANNE'S COMMUNITY SERVICES
Trustees' report

This year we announced proposals to harmonise our staff pay, terms and conditions and adopt a more equitable and fair reward and remuneration structure across all our teams. This has involved some salary increases above the Real Living Wage, while removing a large number of anomalies relating to almost fifty sets of terms and conditions, which included historical unsocial enhancements for a minority of our staff. The vast majority of our staff have agreed to these proposals and are benefitting from higher salaries as a result. We will continue our focus on efficiencies and growth to ensure we can increase pay for our staff in future years.

The Board of Trustees has overseen significant changes in the Senior Management Team during the year. Azra Kirkby was appointed as Chief Executive Officer in June 2020, having acted as interim CEO since October 2019. Chris Burford completed his interim Chief Finance Officer engagement in Spring 2020, and we appointed Clynt Hall in his place in April 2020. Naseer Ahmed joined St Anne's in December 2019 as Housing Director and in June 2020 we introduced a new Directorship to St Anne's with Mario Caswell's appointment as Director of Business Development. These appointments, which all involved thorough external search processes, complete our planned Senior Management Team changes and we look forward to the results this investment will deliver to St Anne's.

Our Trustee Board has been further strengthened by four new appointments within the year, and I welcome the new members who have quickly made a very positive impact. I would also like to thank our outgoing Trustees for their dedication and support. As directors in law, the Trustee role – which is unpaid – carries significant responsibility. I am grateful to all the Trustees for assuming the responsibility and for their unstinting commitment to St Anne's. During this year we intend to appoint more new trustees to broaden our expertise and perspectives.

To all of those who have supported us this year, the Trustees offer their gratitude. The Board is cautiously optimistic for the future, whilst remaining realistic about the very challenging environment.

I W McIntosh

I W McIntosh (Dec 3, 2020 14:37 GMT)

Ian McIntosh,
Chair of Board of Trustees

Dec 3, 2020

CHIEF EXECUTIVE'S WELCOME

St Anne's continues to develop as an organisation and over the past year we have celebrated our first overall 'Outstanding' rating from the CQC. All our Supported Living Services are ranked 'Outstanding' or 'Good', with 10% of our services overall achieving one or more elements graded 'Outstanding'. This exceptional level of care and support has been achieved through the commitment and professionalism of all our people.

Maintaining this high level of service quality is particularly impressive given that the financial pressures on services have increased with continued austerity affecting commissioning authorities. This financial year saw St Anne's announce proposals to change staff terms and conditions which resulted in over 90% of current staff benefiting from a salary increase that put their salary above the Real Living Wage.

With these recent increases in St Anne's pay levels, against the background of a growing interest in the social care sector and the impact of Covid-19 on the wider jobs market, we have seen a marked increase in job applications and recruitment. We hope that during this period and into the future we can attract new people to the sector who are looking to make a real difference to the lives of some of the most vulnerable people in society.

The effect of Covid-19 has provided all health and social care settings with a challenge; however, St Anne's has effectively led our staff and the people we support through this difficult time. We recognise the impact on everyone, not just the people adapting to different ways of working, but those people who have had to shield and the effect of lockdown on the people we support. We must also acknowledge how difficult this has been for the families and friends who have not been able to visit their loved ones during lockdown. I would like to thank all our staff for the sacrifices they have made to ensure the people they support have remained safe, cared for and supported during this pandemic.

Through greater media and public interest, this pandemic has revealed the challenges that the health and social care sector has and continues to face on a day to day basis. There is a real need for health and social care reform to ensure that we have the resources to protect and support those in need.

As we come to the end of our previous strategic plan, we look forward to presenting a new strategic vision that continues to put the people we support and our people at the centre of everything we do. We also recognise the need to build a charity that can respond to the changing needs of the health, social care and housing sectors by engaging proactively with all of our stakeholders and partners. St Anne's continues to seek efficiencies within its structure to enable a competitive basis on which to grow the Charity.

I would like to take this opportunity to thank the Trustees for their diligence and the support they have given to St Anne's over the past few years. Their voluntary roles carry risk and responsibility and they have given a significant commitment to support the organisation this year.

Next year will see St Anne's celebrate its 50th Anniversary, a milestone that has been achieved during most unprecedented times. The organisation has proven itself to be resilient and adaptable and we are confident that this can-do approach will see the Charity through its next 50 years.



Azra Kirkby (Dec 3, 2020 13:36 GMT)

Azra Kirkby,
Chief Executive Officer

Dec 3, 2020

REPORT OF THE TRUSTEES (incorporating the strategic report)

The Trustees, who are also the Directors for the purpose of company law, present their report along with the financial statements of the Charity for the year ended 31 March 2020.

Introduction: St Anne's - Making a difference every day

St Anne's was founded in 1971 as a daytime shelter for homeless men in Leeds. From these small beginnings we have gradually expanded over the years to become the organisation we are today, with around 1,300 employees supporting people across the North of England.

Our very first service was shaped around people's needs and wishes and we have maintained this ethos, with the people we support at the centre of all our work, throughout all the services we provide.

We provide housing and accommodation-based support in partnership with other housing providers and deliver a range of community-based services across the North of England. We are proud to support people with learning disabilities, mental health, substance misuse and homelessness issues and to help them achieve their aspirations.

Much of our work is undertaken in partnership with local authority adult social care departments, clinical commissioning groups and community safety partnerships. We also work extensively with people whose support is funded via a direct payment or an individual service fund.

Our current offer includes:

- Supported living services
- Residential care, including nursing care
- Specialist detoxification and rehabilitation (alcohol and substance misuse)
- Respite care
- Domiciliary care
- Floating outreach
- Carers' support
- Day services
- Shared Lives
- Community mental health and substance misuse services
- Housing with support (long and short term)
- Homelessness services
- Women's hub (an emergency safe place to stay for women with complex needs who are street homeless or vulnerably housed).

We work predominantly in the following areas:

North East: Durham, Gateshead, Middlesbrough, Newcastle Upon Tyne, North Tyneside, South Tyneside, and Sunderland.

Yorkshire: Bradford, Calderdale, City of York, East Riding, Kirklees, Leeds, North Yorkshire, Sheffield and Wakefield.

This range of provision means that if people's needs and goals change, they can continue to be supported by St Anne's.

Continuing to focus on the needs of the people we support, we:

- Develop services where we know they are needed
- Focus on continuous improvement and demonstrating value for money
- Regularly review our services with the people we support and work together to meet changing needs.

Our Vision

To be the most innovative and creative provider of care, support and housing in the North of England.

Our Values

To put people at the centre of all we do, treating them with dignity and respect. To strive to provide services of the highest quality and to be caring and supportive to allow people to grow and achieve.

Our strategic objectives

Our strategic objectives are as follows:

Our clients: To be inclusive and ensure that our clients are at the centre of everything we do by actively listening and responding to and involving them, their families and carers, in all decisions about the services we provide.

Quality: To provide safe services of the highest quality, which deliver agreed measurable outcomes for our clients.

Our finances: To ensure that St Anne's is financially sound and sustainable, provides Value for Money and seeks opportunities for growth and development.

Our people: To be an employer of choice, able to attract, recruit, develop and retain a high-quality workforce that is skilful, competent, compassionate and engaged.

Learning and development: To be a learning and developing organisation which celebrates and promotes success and excellent, research-based practice and care.

Housing and maintenance: To provide safe housing that is maintained to a consistently high standard in a supportive, caring environment, whether it is owned or leased by St Anne's Community Services.

Taken together, we believe our vision, values and strategic objectives give a clear view of how we work to improve the lives and future prospects of the people we serve, by offering professional support in a values-driven way that reflects the best of St Anne's, every day.

Our performance and achievements

Throughout 2019/20 we continued our work to improve the daily lives and future prospects of the people we support, reflecting our values of being person-centred, providing dignity and respect, delivering high quality services and being a caring organisation that helps people grow and achieve. Some examples of our achievements this year include:

- Agreeing a further pay award increase for our staff and commencing consultation to re-design our terms and conditions.
- Introduction of new methods to attract and retain staff such as our Refer a Friend scheme.
- Introduction of payments for annual professional accreditation memberships and registrations fees of our staff.
- The development of the organisation's first Job Evaluation Framework to support internal grading and external benchmarking of salaries across St Anne's.
- The introduction of a new online training and learner management system that has enabled us to increase overall levels of training compliance and increase the accessibility and granularity of training compliance data.
- We were one of the first cohort of providers to successfully achieve accreditation from the Restraint Reduction Network for our Positive Behaviour Support training which we deliver both to internal staff and externally across England, Wales and Northern Ireland.
- Our Recruitment team's innovative thinking was recognised as their joint work with the We Care Academy scheme was nominated for an award in the Leeds City Council Quality in Care Awards.

ST ANNE'S COMMUNITY SERVICES

Trustees' report

- The development of our Client Involvement Group, St Anne's Expert Voices and Experience Network (SEVEN) helped us to further enhance client feedback and influence throughout the organisation. The members of this group have been involved in:
 - Recruitment of management and senior management positions
 - Producing films and voice recordings for Client related topics
 - Taking part in our Quality & Safety Team's audits, with their inputs being used to improve our Quality & Safety systems in the future.
- Ending at the start of 2019/20, St. Anne's was invited to take part in the National Cyber Security Programme, an initiative commissioned by the Institute of Public Care (IPC) at Oxford Brookes University to undertake a research programme to support the adult social care provider sector to manage the business risks associated with data and cyber security.
- The organisation retained its Investors in People Status, meaning it has now held this status for over 23 years.
- Opening of the Women's Hub, in September 2019, which provides a safe space for vulnerable women who have no other place to go.
- One of the people we support was recognised by the Learning Disability and Autism Leaders List, in December 2019, for his outstanding contribution and the positive difference he made.
- One of our Managers won Stonewall Ally of the Year Award for Yorkshire and Humber Region for coordinating St Anne's involvement in Happy Valley Pride, engaging with clients' families and medical professionals on LGBT inclusion and his commitment to the inclusion of LGBT people with disabilities.
- One of our Regional Managers was one of only five people nationally to be shortlisted in the Guardian Public Servant of the Year awards for their lifetime contribution to learning disability services.
- A member of the York service took part in the 10k Abbey Dash, to raise funds for people who have a learning disability.
- We have signed up to the Disability Confident Employer Scheme.
- A member of staff with our North East service was shortlisted for The Care Innovator Award for the Great British Care Awards.
- November saw our very own Celebration of Success Awards Ceremony take place at The Village Hotel Leeds.
- Our IT team added BrowseAloud to our website; this is a speech, reading and translation support service for people accessing our website.
- Launch of our Partnership with The Care Workers Charity.
- Kingsmill Court became our first service to achieve Outstanding overall from CQC.
- Our Alcohol services received Outstanding for the area of Caring in their first scored CQC inspection.
- Our CQC performance across the organisation remains significantly higher than the national average for the sector, with 94% rated 'Good' or above (compared to 84% national average).

Looking after our People

As part of our response to the Covid-19 pandemic we ensured staff who were unable to work due to shielding requirements received full pay. We also provided all circa 1,300 staff with two face coverings for travel on public transport and paid a bonus to front line staff in recognition of their continued support and work during the first very difficult phase of the pandemic.

We have retained our position in the top 10 of all Social Care organisations, and 113th overall out of over 450 organisations, in the Stonewall Workplace Equality Index 2020. This measures organisations' progress on lesbian, gay, bi and trans inclusion in the workplace. One of our managers was also winner of the Ally of the Year Award in the Stonewall Yorkshire and the Humber region awards.

We have been able to support a further 25 colleagues through apprenticeship qualifications, including a further three degree level apprenticeships. This is in addition to funding and supporting people to gain other professional qualifications.

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Our 2019 Celebration of Achievement Event for staff was our largest yet and celebrated winners across 10 categories as well as those who achieved long service awards and a range of qualifications. This year our Client Involvement Group, SEVEN, helped choose many of the award winners.

St Anne's, in partnership with the University of Huddersfield and University of Leeds, co-hosted the first Learning Disability Conference in the North of England, aimed at promoting the vital work that Learning Disability nursing services provide to the community and strengthening our relationships with local Universities.

Corporate Social Responsibility

The evidence of our commitment to Corporate Social Responsibility can be found in the tangible added value across our operations and in the way we deliver them, as described below. Identified across the four particular themes; supporting people who choose us for the services we provide; supporting colleagues and being an employer of choice; operating sustainably and having more than just a conscious nudge towards the environment; and also actively supporting as an equal player in the communities we are a part of.

The Market

The people we provide care and support for are at the very heart of the services we deliver, and they heavily influence and contribute to what we do and to how we do it. Together with other key stakeholders, the people we support help us to improve, design and develop services that are person centred and fit for purpose. They are the very people who share with us their smallest wishes and their biggest dreams and we work hard to try to make them happen.

Workplace

Our people drive, deliver and support our successes. They are chosen for their dedication and their passion to provide the highest possible levels of care, support, and commitment. Our aim is to create the best possible working environment for them and one in which they can learn and develop their skills and expertise. We want our people to be and feel that they are being supported especially around areas of health and mental wellbeing. We value and celebrate diversity and treat everyone with equal fairness, respect and care. Our culture is one of leading by example, living by our vision and delivering on our values.

Environment

Our internal and external environments are important to us, and we recognise the impact that our contribution can make. Our aim is to minimise our carbon footprint and we do this in several different ways; for example, responsible energy consumption and pro-active approach to waste management. We also work hard to look after and maintain our own buildings to ensure they are efficient, sustainable, fit for purpose and fit for the future. This makes good sense and it also recognises the link between a healthy environment and general good health for all.

Our Community

We operate across the North of England and are proud to be an integral part of a number of different communities within each of those areas. We share our learning, we share our spaces, we contribute through a vast range of fundraising and volunteering activities, we support and promote good causes, we build trust and we build confidence. We currently support several charity partners, including the Care Workers Charity.

Strengthening our Governance

St Anne's Community Services has adopted the Charity Governance Code for Large Charities and its accompanying code of practice. The code is designed as a tool to support continuous improvement and is based on seven key principles; Organisational purpose; Leadership; Integrity; Decision-making, risk and control; Board effectiveness; Diversity and Openness and accountability.

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As a provider of housing regulated by the Regulator of Social Housing, we use the Self-Assessment of Governance and Financial Viability Standard Code of Practice to measure our compliance against the Standard. One example includes providing evidence of effective governance arrangements, and demonstration of how they support our aims and objectives; another example is set around internal controls and good financial management.

We have provided training in risk management to all our Central Service Department heads and all our Operational Area Managers and Regional Managers, so that they are confident and able to identify, evaluate and prioritise risks and then recognise and manage some of the associated uncertainties. Trustees will also receive tailored training on risk management as part of the ongoing strengthening of governance, which alongside their existing expertise in this area, will enable the Trustees to determine what are acceptable levels of risk for the organisation.

By implementing Datix Cloud, another module of our Datix Risk Management system, staff can access Datix from any location and thereby report incidents in real time. We are also looking to implement electronic risk registers via the Datix system, which will provide an electronic, standardised methodology across the organisation.

As part of our approach to further strengthening our Whistleblowing policy we have adopted the NHS approach and appointed our first Freedom to Speak up Guardian, who will provide an additional safe route for staff to share their concerns.

We have recruited a dedicated Health and Safety Manager and created a separate Health and Safety Committee of the Board to provide additional oversight and assurance to the Board on matters relating to Health and Safety and wellbeing.

Making good use of Technology

Improving our technology is a key focus for St Anne's. During the year we have progressed in the following areas:

- We have continued promoting Smarter Working by further developing STARRS (St Anne's Real-time Records System), which gives front-line staff ready access to our data systems and creates a collaborative platform with their managers, in real time,
- This new way of working has transformed our connectivity and improved our ways of working collaboratively and remotely.
- St Anne's has made a significant investment in our IT infrastructure over the last three years, including an early adoption of cloud technology in 2017, introducing Microsoft Teams, investing in new equipment that better meets end user needs, and regularly refreshing our Business Continuity Plans. St Anne's was also an early adopter of the NHS Data Security and Protection Toolkit, enabling us to use NHS secure mail. This forward-thinking supported our rapid and effective response to Covid-19, which triggered a major shift to home working
- We continue to explore emerging technologies, to increase efficiency and data governance standards, including aiming to achieve the Enhanced Level for the NHS Toolkit.
- We are also working with VODG (Voluntary Organisation Disability Group) to explore creating a Toolkit tailored to the voluntary care sector.

Assuring the Quality of our Assets

St Anne's is obliged to ensure compliance with the regulations of the Regulator of Social Housing and the Health and Safety at Work Act 1974.

During the year the organisation commissioned a preliminary independent stock condition survey together with fire risk assessments for all properties owned by St. Anne's which also included those which St. Anne's has a repair responsibility. The Board is committed to investing in our properties, to make better homes for people, and the findings of the survey and assessments will help to determine future spend and to develop an Asset Management Strategy which will be finalised in 2020/21. This will allow us to continue to demonstrate our commitment to meeting the Decent Homes Standard.

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St Anne's is committed to continued improvement and, as a result, is carrying out a full review of the Repairs and Maintenance operation to ensure it continues to deliver high-quality, value for money service. The organisation has achieved re-accreditation with the Contractors Health and Safety Assessment Scheme (CHAS).

Our key strategic priorities for 2020/21

During 2020/21 we will continue to build on the positive initiatives from 2019/20 and intend to focus on addressing a number of other key priorities.

During 2020/21 we will review our overarching organisational strategy and identify medium and long-term priorities; this process has been delayed due to the work needed to manage our approach to Covid-19.

Following this we will identify the key areas of growth and areas for investment in order to achieve our overarching strategy.

Our Finances

Our income for the year 2019/20 was £42.9m, down on the previous year of £44.8m, however similarly our costs have on the whole fallen proportionately. The vast majority of our income is made up of receipts for the provision of direct service delivery to the people we support and includes, in the main, income from both local authority and NHS contracts. This directly funds our work with people with learning disabilities, mental health issues and substance misuse issues through services that range from support for those living independently in the community to 24-hour care. We also provide services and support to people who are homeless in Sheffield, Kirklees and Leeds and provide care and support through our alcohol detoxification and rehabilitation service in Leeds. We are also funded to provide support to carers in Kirklees.

Our surplus/deficit for the year before the actuarial loss on our pension schemes is a surplus of £0.9m, compared with an equivalent deficit of £0.5m last year. This is driven by having good control of our costs, despite the cost pressures of the national living wage, and also the contribution from the sale of our redundant Holdforth Court property during the year.

It is important to note that there has been a significant actuarial loss on the West Yorkshire Pension Fund in the year, resulting in a charge to other comprehensive income in the year of £8.1m, which has generated an overall comprehensive deficit of £7.2m, and an overall pension liability of £15.4m on the balance sheet. Given that our year-end is 31st March and the scheme is largely invested in equities, Covid-19 had a significant adverse impact on the pension scheme valuation on that date. Once there is an improvement in the equity markets and without another exceptional event, like Covid-19, or the continuation of Covid-19, we would therefore anticipate a significant improvement in the pension scheme's assets and therefore the actuarial valuation and hence the deficit in future years.

Before the impact of the provision for the actuarial loss on the West Yorkshire Pension Fund, our underlying reserves position remains healthy. Additionally, our cash position remains strong with cash and investments of £13.2m available to us at the end of 2019/20.

It is also worth noting that 2019/20 was a transitional year where there were dual running costs for the Senior Management Team (SMT) of £0.3m for the period before the new permanent SMT could be put in place. 2019/20 also includes provisions for transition costs and other one-off costs as we looked to standardise staff Terms and Conditions and operate more efficiently, amounting to £0.7m in total.

Looking ahead, Covid-19, alongside the cost of maintaining the national living wage, as well as other cost pressures, will result in significant financial challenges in 2020/21. However, with our strong cash reserves and by exploring other areas of cost efficiencies and opportunities to grow the organisation, we are confident that St Anne's is well placed to meet these challenges. We look forward to continuing positive discussions with our commissioners to support our endeavours in this regard.

ST ANNE'S COMMUNITY SERVICES
Trustees' report

At the same time it is also important that St Anne's continues to invest in both its people and our housing stock in 2020/21, both of which are key to St Anne's on-going success, hence decisions in this area need to be balanced with the risks and opportunities the organisation will face within the market.

Overarching all of this, the Board and SMT are determined to continue to provide safe and good services throughout the organisation, supported by well-trained, enthusiastic and engaged staff.

Therefore, within this context, our overall focus remains to deliver the highest possible quality of support, using all of the resources available to us as effectively and efficiently as possible.

Comprehensive income for the five years ended 31 March 2020

	2020	2019	2018	2017	Restated
	£'000	£'000	£'000	£'000	2016
					£'000
Turnover	42,877	44,833	44,153	43,387	42,460
Operating costs	(43,311)	(45,214)	(43,762)	(44,293)	(43,143)
Pension adjustments*	491	793	816	236	555
Controllable Surplus/(Deficit) for the year	57	412	1,207	(670)	(128)

* Pension service costs are included within operating costs

Statement of financial position for the five years ended 31 March 2020

	2020	2019	2018	2017	Restated
	£'000	£'000	£'000	£'000	2016
					£'000
Tangible fixed assets	13,452	13,619	13,877	15,049	15,183
Fixed asset investments	1,509	1,510	1,510	1,510	3,512
Net current assets	12,441	11,856	11,209	10,343	8,751
Total assets, less current liabilities	27,402	26,985	26,596	26,902	27,446
Creditors due after more than 1 year	(11,151)	(12,310)	(12,377)	(12,658)	(12,938)
Net Pension liability	(15,424)	(6,679)	(8,397)	(8,959)	(5,717)
Total net assets	827	7,996	5,822	5,285	8,791
Reserves: General Charity Fund	117	161	162	172	160
Investment revaluation	8	8	8	8	2
Revenue reserves	16,126	14,506	14,049	14,064	14,346
FRS 102 pension liability	(15,424)	(6,679)	(8,397)	(8,959)	(5,717)
Total Reserves	827	7,996	5,822	5,285	8,791

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Trustees' report

Value for Money

Value for Money is key to how St Anne's operates, and we are continuously striving to improve the way we work so that we can provide better services for the people we support.

We take a balanced approach to Value for Money that considers performance and investment through three lenses:

- Financial value: The value to the charity. This could be savings through efficiencies, increased income, or delivering more with the same resource;
- Client value: The value for the people we support. This could be direct savings, or similarly reducing clients' dependency on benefits; and
- Social value: The value to the wider society and the economy. This could be savings to the public purse or benefits to the community and local environment. We are committed to our charitable purpose and determined to meet our cost savings targets while continuing to have a positive impact on the people we support and our social value contribution.

Examples of how we currently operate to ensure we deliver Value for Money include:

- Ensuring we monitor key performance indicators and can demonstrate that we are delivering Value for Money;
- Building on an initial survey, we have commissioned a further stock condition survey to ensure we are investing and continue to invest in our assets and housing stock appropriately and efficiently; and
- Having a dedicated procurement team to ensure purchases are made of an appropriate quality, at the best possible price and ensuring due process.

To further enhance our focus on Value for Money during 2020/21 we are looking to introduce a new Value for Money policy that will further sharpen our approach.

Value for Money Summary

Our Metrics	Housing Median 18/19	Actual 19/20	20/21 Target
Rent arrears	1.1%	1.8%	1.8%
Income collection	99.8%	98.2%	98.2%
Tenant satisfaction (annual survey)	86%	86%	>85%
Re-let times	36 days	45 days	45 days
Voids	3.4%	6.3%	7.0%

During the year we have continually reviewed the Value for Money disclosure requirements and have increased the information we publish, including targets for 2020/21. We will continue to benchmark ourselves against similar organisations setting targets for our key metrics. This will then help to further inform our target setting process for future years and measure our performance.

We note that rent arrears are above the housing median. However, as this is driven primarily by housing benefit arrears and we receive housing benefit directly for the majority of our social housing clients four weekly in arrears, this can impact on this metric, depending when the financial year end falls.

Income collection is lower than the housing market median. Generally, our income collection rate is high across our services, however our hostel service and the transient nature of clients affects the overall income collection rate, a point which is identified as a risk and is been picked up across both housing and operational departments.

Re-let times are longer for supported housing than for general needs housing as it can take longer to match clients with suitable properties for their needs. In addition to this, we experienced longer maintenance periods in the year, which impacted the re-let time. Whilst we are seeking to improve on this performance in 2020/21, Covid-19 restrictions on accessing properties will make any improvement difficult in the coming year.

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Void rates are generally higher for supported housing than for general needs housing because of the complexities of matching client needs to suitable properties. Our reported voids performance is also impacted by the voids at our hostel service. In terms of our target for 2020/21, we aspire to reduce the voids. However again this will prove challenging given the impact of Covid-19, due the external restrictions imposed around face to face meeting, hence our target reflects these challenges.

Regulator Metrics	18/19	Peer median	Housing Median	Target 19/20	Actual 19/20	20/21 Target
Reinvestment	2.2%	5.0%	6.8%		10.1%	7.5%
New Supply	0.0%	3.8%	1.9%	-	0.0%	0.0%
Gearing	N/A	36.1	32.6	-	N/A	-
EBITDA MRI Interest Cover %	N/A	2,347.1%	346.3%	-	N/A	-
Headline Social Housing Cost	£22,868	£8,554	£4,462		£24,074	£22,000
Operating margin social housing %	10.6%	12.8%	26.4%		7.5%	9.5%
Operating margin overall %	(0.8%)	10.9%	24.4%	0.0%	(2.5%)	(1.0%)
ROCE%	(1.4%)	5.9%	3.6%		(4.2%)	>0%

We have included additional benchmarks in this year's disclosure: the housing median from the sector scorecard; and a peer group of similar supported housing providers, although most also provide general needs housing as well. We have also set out our targets for 2020/21.

Investment in our properties has increased in the year, driven by a review of our asset management strategy and a stronger focus on ensuring we meet the Decent Homes Standard. A further review of the asset management strategy will be completed in 2020/21.

There was no development of new supply in the past year and there are currently no firm plans for the development of new housing stock in 2020/21.

We do not have any debt financing in place and therefore gearing and interest cover are not applicable.

Our headline social housing cost is significantly higher than the housing median and the peer median, reflecting St Anne's specific characteristics. The peer median is based on providers who also offer supported housing and other care provisions and shows a higher figure than the housing median; however the nature of our services and the requirement to meet our clients' specific individual needs, which can be complex and varied, means our spend is much higher than both benchmarks. It is also worth noting that housing is a relatively small part of our business, with St Anne's portfolio covering a variety of other care services.

Again, our operating margin is closer to the peer group of supported housing providers, rather than the housing median, and this is another area we are looking to improve in 2020/21. Nevertheless, the overall operating margin as set out above is expected to be negative for 2020/21, with further improvements in future years.

The return on capital employed (ROCE) was negative during the year because of the overall deficit position, and we are likewise anticipating a deficit for 2020/21. However, we will strive to deliver a positive ROCE on individual investments in 2020/21 and beyond.

Reserves policy

Each year, the Board of Trustees considers the resources required to meet the organisation's long-term objectives and obligations and identifies the potential risks to meeting the planned outcomes.

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The reserves policy states that the level of free reserves should be enough to cover planned and unforeseen variations in operational expenditure (excluding expenditure on acquisitions, one off pension payments and other funded projects) on a rolling twelve-month basis.

The calculation of net reserves commences with free reserves, which comprises net current assets excluding properties held for sale.

	31 March 2020	31 March 2019
	£'000	£'000
Free reserves	12,441	11,178
Allowance for unforeseen variations	(1,000)	(1,000)
Designated funds	(1,500)	(1,500)
Adjusted net reserves (before pension deficit)	9,941	8,678

The pension deficit of £15.4m (2019: £6.7m) is a longer-term liability that will fluctuate over time, both up and down, and therefore is not taken into account in calculating net reserves. However, this is a liability that needs to be considered when assessing the sufficiency of net reserves. The Trustees are of the view that, in light of the unprecedented impacts on equity valuations and the impact of these on our pension deficit at the balance sheet date, the adjusted net reserves are sufficient for the next twelve months, when a further assessment will be made.

Investment policy and performance

Our investment policy is designed to support the reserves policy. The organisation has adopted a prudent investment policy to balance potential returns with appropriate levels of risk. An investment objective was set for the year for the assets to maintain value and, despite fluctuations in equity values, investment performance has meant that this objective has been achieved. The work of the Pensions and Investments Committee continues to support the Trustees in regularly benchmarking and monitoring portfolios and performance to ensure the assets will be sufficient to meet the needs of the organisation. At 31 March 2020, Fixed Asset investments were valued at £1,509k (2019: £1,510k), hence a very minor fluctuation, especially given the backdrop of stock market performance at the 31 March 2020.

Going concern

The organisation is well placed to manage the business risks we face. This position is supported by a strong cash flow, an experienced leadership team, an appropriate level of reserves and cash, and good relationships with those commissioning our services.

Taking into consideration that the organisation holds reserves that are in excess of operating requirements, we have a reasonable expectation that we have sufficient resources to continue in operational existence for at least 12 months after these financial statements are signed. We believe that there are no material uncertainties that call into doubt the ability of the organisation to continue as a going concern.

Our planning processes, including financial projections, take into consideration the current economic climate and in particular the currently known impact of Covid-19, hence ultimately the potential impact on our various sources of income and planned expenditure. We acknowledge our pension fund obligations and are developing a clear strategy to manage the deficit on the West Yorkshire Pension Fund.

Subsidiary

During previous financial years before 31 March 2020, St Anne's Community Services held legal ownership of one of the two £1 ordinary shares issued by St Anne's Trading Limited, a company registered in England and Wales, with the remaining share held by an individual as bare trustee for the organisation.

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On 24th November 2019, legal ownership of this remaining share was transferred to St Anne's Community Services. Hence at the conclusion of the financial year on 31 March 2020, St Anne's Community Services wholly owned the entire issued share capital of St Anne's Trading Limited.

Principal risks and uncertainties

The Board of Trustees has responsibility for ensuring that there is effective risk management and that internal control systems and processes are in place to manage the organisation's strategic risks and to support the achievement of its strategic objectives.

This responsibility is exercised through an annual review of the effectiveness of our risk management framework including the following:

- Ensuring that the identified risks strike a balance between taking risks and reducing them.
- Recognising that whilst being risk averse is a safe option, it will not allow the achievement of rewards or opportunities that managing risks well will do.
- Ensuring effective and meaningful risk management adds value, depth and breadth of quality both for learning and for business growth.

Risk management design:

Through our risk management framework, we aim to provide an improved confidence to our appetite and structure for managing risks across the organisation. It is a support to business and one that will promote confidence and growth.

We believe that stakeholders are more inclined to support our organisation knowing that we have strong and effective risk management and governance practices in place. This will improve confidence and structure around our overall decision-making processes from Board to service delivery.

Key points:

- Risks are both organisational (business) and operational (day to day).
- Risks are identified and recorded in detail at an operational level, as well as being reported at an organisational level.
- The risk management framework is meaningful and effective.

Our approach builds on and strengthens what is currently in place:

- Strong governance which monitors and reviews performance as well as owning and reviewing policy and process.
- Identification of risks from a number of points of view including; regulatory, strategic, operational, IT, legal, environmental and financial.
- Detailed measurement and assessment of risk that reviews specific and aggregate exposure, clarifies our risk appetite and confirms our overall risk profile.
- Applying risk mitigation to minimise the impact of risks.
- Providing detailed reporting.

Impact and risks of Covid-19

To date, the effect of Covid-19 has provided all health and social care settings with a significant challenge, including presenting risks to clients, staff, visitors and organisations as a whole.

So far, St Anne's has managed to support our staff and clients effectively through this difficult time. St Anne's ensured high risk staff were shielding, making use of the Government's furlough scheme in line with the rules and topping this up to ensure that shielding staff suffered no financial loss as a result. At first sickness levels were also high but over time this has reduced. Similarly, during the pandemic to date recruitment levels have increased which has actually benefited St Anne's.

Furthermore, St Anne's has managed to procure appropriate levels of personal protective equipment (PPE) to keep staff and clients as safe as possible.

Therefore, whilst there are additional costs and risks associated with Covid-19, we believe we remain as well positioned as we could expect to address both the financial challenges and the risks our clients and staff are facing.

Impact and risks of Brexit

St Anne's Community Services has carefully considered the risks regarding the uncertainty of Brexit, acknowledging this risk on the corporate risk register, including acknowledging that some risks are higher with a no-deal Brexit. There are three key areas around Brexit we are closely tracking:

1) Workforce

The Health and Social Care sector has long relied on EU and other foreign nationals to fill nursing and care worker vacancies and is likely to continue to do so in the future. Whilst it is important to recognise that Brexit has the potential to compound workforce pressures, the recruitment and retention problems being experienced within Health and Social Care predate the UK's decision to leave the EU.

St Anne's employs less than the national average proportion of EU workers in its services and has a proactive recruitment policy to minimise the impact of Brexit on its workforce.

This is further demonstrated by the strong human resource and recruitment teams we have in place, supported by a range of back-office teams. They constantly monitor, review and update our people movement across all services. We monitor capacity, needs, selection and recruitment, learning and development for all staff including casuals to ensure sufficient numbers of personnel with appropriate skills are in place, and that they can meet the needs of the people we support, as well as building our overall capacity to deliver and maintain quality front-line services. Key actions we have undertaken in this area include:

- Targeted work and support with individuals around the EU Settlement Scheme;
- Stakeholder questionnaires that have included equality monitoring questionnaires, which have where possible enabled us to provide direct support to staff; and
- Audit of professional qualifications especially within the regulated profession requiring set qualifications, which may need to be 'officially recognised' in the UK after the transitional period if the qualifications were not attained here.

2) Supply chain, particularly, but not exclusively, medication, medical devices and consumables

Following Brexit, where there may be concerns over supplies sourced from the EU, St Anne's will seek to mitigate this by having alternative sources of supply available through our strong and varied supplier base and our dedicated procurement team identifying other sources of supply where needed.

Furthermore, we work closely with a number of Health and Social Care networks on a local, regional and national basis, sharing information and issues and identifying emerging risks, challenges and opportunities. Our specific response to the risks around supply chains include:

- Regular audits of suppliers – ensuring we have an appropriate supply chain;
- Inventory checks – to include product life cycle;
- Procurement reviews - delving deeper into our supply chains to gain a better understanding of their robustness; and
- Contracts and service level agreements – ensuring that these are fit for purpose and fit for the future.

3) Business continuity

Our risk register reflects our ongoing work on business continuity planning. Our policy, which is continuously maintained and reviewed, provides the organisation with a structure that supports detailed, tailored local business continuity plans. As would be expected, these plans support a number of recommendations and actions:

- Response to a failure in technology/communication;
- Response to a failure to provide front-line staff /key persons;
- Building resilience and maintaining direct care and support provision; and
- Working with local resilience forums/partners to increase capacity and enable quick responses.

Working closely with our stakeholders in this way, we expect to be able to anticipate and mitigate new risks and contribute to the solutions and opportunities we know these challenges will present.

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Structure, governance and management

St Anne's Community Services is a company limited by guarantee. It is registered with the Charity Commission and is also a registered housing provider, regulated by The Regulator of Social Housing.

It is governed by its Articles of Association, which set out the charitable purposes for public benefit in the following terms:

- To relieve those in need by reason of youth, age, ill-health (including those persons suffering from alcohol, drug and other substance misuse), disability, financial or other hardship by the provision of welfare and support (financial or otherwise), health and social care, employment, housing and education support; and
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

St Anne's governance arrangements include the Board, a number of Board committees, and subcommittee working groups that provide focus on key areas, and a suite of procedures that are needed to ensure our charitable objectives are met. Our Articles of Association meet the needs of our current structures but also incorporate flexibility to allow for future development.

Our Board of Trustees

The Board of Trustees are charity trustees as defined by section 177 of the Charities Act 2011. The Board comprises the legal directors of St Anne's, and holds all the charity's powers and authorities under St Anne's Community Services' Articles of Association.

There are clear distinctions between the roles of the Board of Trustees and the Senior Management Team (SMT) executives employed by the organisation. The Trustees are ultimately responsible for the overall control and strategic direction of the organisation and for the protection of its assets. Day-to-day management is the responsibility of the Chief Executive and the other members of the Senior Management Team. Matters such as strategy, policy and budgets are prepared by the SMT for consideration and approval by the Trustees, who then monitor the implementation of these plans.

Under the current Articles of Association, members of the Board of Trustees serve an initial term of between 3 and 4 years, and can then be reappointed for further such terms, but may not serve for more than 9 years unless the organisation agrees otherwise. New Trustees are selected through an open recruitment process, which usually includes advertising in the national press and online, and a targeted recruitment search.

Newly appointed Trustees are given an induction programme tailored to their areas of expertise and governance obligations, and all Trustees are provided with training opportunities to help them meet their responsibilities. The Board of Trustees meets every two months with occasional ad hoc meetings for exceptional business. The balance of Trustees is kept under review, including with regard to expertise, diversity and experience. The Board of Trustees also places particular emphasis on appointing individuals who bring specific identified skills.

Whilst the minimum number of Trustees cannot be less than three there is no maximum number. Our number is currently made up of ten Trustees, as listed on page 1.

Our Committees

The Board has delegated specific responsibilities to several committees, each of which reports to the Board and has detailed terms of reference, which are reviewed annually. The committees meet regularly throughout the year, in accordance with their terms of reference. The committees are:

- Audit
- Remuneration and Nominations
- Quality Assurance and Risk Management
- Pensions and Investments
- Finance and Performance
- Health and Safety

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Audit Committee

The Audit Committee provides the Board with an independent and objective review of the organisation's financial systems, financial information and compliance with laws and regulations governing the organisation. It also considers any significant issues arising in respect of either internal or external audit.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers the membership of the Board and recommends potential new Trustees for election to the Board. This committee also keeps under review succession planning in respect of the Chief Executive and oversees Board effectiveness reviews and action plans resulting from such reviews. It determines and recommends to the Board the overall policy for the remuneration of the Chief Executive and other members of SMT. It also has an oversight role for governance.

Quality Assurance and Risk Management Committee

The Quality Assurance and Risk Management Committee has prime responsibility for advising the Board on the suitability and adequacy of the organisation's quality and risk management systems and processes. The Committee exists in part to oversee the development, implementation and monitoring of the organisation's integrated governance and risk management arrangements by providing assurances relating to the governance and the risk management systems and processes by which the organisation leads, directs and controls its functions. It monitors and reviews the implementation of the Board assurance framework, governance framework and risk registers, all supporting the delivery of safe and high-quality services across the organisation.

Pensions and Investments Committee

The Pensions and Investments Committee exists to oversee and make recommendations to the Board on all pension and investment matters. It also provides assurance that these are being effectively managed.

Finance and Performance Committee

The Finance and Performance Committee exists to oversee and make recommendations to the Board on financial and operational performance issues. It also provides assurance that these are being effectively managed.

Health and Safety Committee

The Health and Safety Committee exists to oversee and make recommendations to the Board on all health, safety, and wellbeing policy issues as well as other health and safety matters. It also provides assurance around issues of statutory compliance ensuring that these are being effectively managed and monitored.

Our People

St Anne's provides care and support to some of the most vulnerable members of society. Our team aim to provide the opportunity to improve those lives and this is a thread that runs throughout all levels of St Anne's. In order to deliver services of the highest quality, we must ensure that supporting and developing our people is a key factor in our decision-making process.

Only through the combined effort of permanent employees, trained casual staff, volunteers and student placements can we support so many vulnerable members of society. Whilst tremendously rewarding, we recognise our staff undertake work that can be very challenging. Going above and beyond for the people we support is seen as all in a day's work for our front-line care staff. Managers and central support services strive to support the delivery of outstanding care and well-led, person-centred services. The passion and dedication shown to improving the lives of others is something that defines the people within St Anne's. Our values are created by our people, and they are lived out every day in our services. Being Person Centred, showing Dignity and Respect, ensuring Quality and being Caring are at the heart of the people who make up our workforce.

As of 31st March 2020, St Anne's employed 1,292 members of staff made up of: 953 support workers, 53 nurses, 60 deputy managers, 76 service or area managers working at operational and front line level in our services, supported by 150 staff in our central support functions or other roles. Following the loss of some colleagues through TUPE transfers in 2018/19, the year has been one of consolidation as we look to move into a period of future growth.

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We continue to listen and learn from our colleagues through our St Anne's Have Your Say staff survey, and the commitment of each member of the SMT aiming to undertake 25 plus service visits per year. These visits have helped support better understanding of the challenges our services face, drive efficiency and engagement and inform the overall review of our approaches to remuneration and recruitment.

We continue to invest in the wellbeing of our staff with the introduction of over 30 Mental Health First Aiders and fast track physiotherapy services. Our employee-led health and wellbeing group, FRESH, continues to champion good all-round physical, mental, financial and social wellbeing. St Anne's has extended its relationship with York St John's University by placing a further three staff on degree level apprenticeships, which complement the numerous care-based or specialist apprenticeship qualifications we already support our staff with across a range of academic institutions across the North of England. St Anne's successfully undertook its re-accreditation with Investors in People, which now extends to 2022, which underlines our dedication to ensuring good systems and processes are at the forefront of our thinking. With the introduction of a new online learner management system, we are improving the management information available to us on training compliance and making training data accessible to our managers

This year we have reignited our passion for meaningful client involvement across the organisation by creating a new Client Involvement Policy and Strategy, led by the people we support. Our St Anne's Expert Voices and Experience Network (SEVEN) has become increasingly well-established over the last 12 months, playing a key role in senior appointments, including at Director level, determining the winners of awards at our Celebration of Achievement event and sending out messages of thanks and goodwill to the people that support them. SEVEN have distilled what clients look for in a support worker and helped to design interview questions, which enhances our values-based recruitment model.

As we move forward, our focus will turn to strengthening the identification and development of current and future leaders, building on the recent review of our performance management framework. We will continue to drive efficiencies through approaches that support the reduction of absence, turnover and agency usage whilst ensuring the appropriate support is in place for our colleagues. Fundamentally we will continue to try to improve St Anne's as a place of work for our people.

Equality, diversity and inclusion

At St Anne's, we appreciate that we are privileged to be supporting people who are very often vulnerable and marginalised from society and we understand that our support workers and nurses make a real difference to people's lives – whether we support them for one afternoon or for many years. Our client involvement group, SEVEN, and our Tenant Involvement Forum help to provide a voice for the people we support and ensure their views are a key consideration in everything that we do, and that we deliver care in an environment that is centred around their unique needs and identities.

Being 'confident with difference' as an inclusive organisation continues to be an organisational priority. This year we have recommitted our efforts to quality mark the work that we're doing by engaging with our external charters, including the Mindful Employer network and the Disability Confident Scheme.

We are very pleased to have retained our place in the Top Ten Health and Social Care organisations in the Stonewall Workplace Equality Index for a second consecutive year as our commitment to Lesbian, Gay, Bi and Trans equality strengthens. We continue to work closely with our Account Manager as a member of Stonewall's Diversity Champions programme and were represented at the regional Workplace Equality Conference this year.

We warmly congratulate our colleague Gerard Wainwright, First Line Manager at our Heatherstones Service in Halifax, for being recognised as Stonewall's Yorkshire and Humber Ally of the Year 2019 for his remarkable efforts in supporting clients to overcome multiple barriers, learn about local LGBT+ history and celebrate with the community at 'Happy Valley Pride' in Hebden Bridge.

During this reporting period we have continued to promote our Diversity Calendar, with many of our clients leading their own multi-faith celebrations, special parties, awareness campaigns and projects to recognise Black History Month, the International Day of Older People, Learning Disability Week and many other community groups. Refreshing and improving our Accessible Information offer has also been important for us this year, with our 'client facing' documents being redesigned.

Our HR policies ensure compliance with legislation and best practice so our staff can be free from discrimination, harassment and victimisation. The design and review of our policies includes completion of Equality Impact Assessments and our HR policies include detailed guidance on supporting people

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with underlying health conditions or disabilities and making reasonable adjustments for them. We are proud to have recommitted our efforts to quality mark the work that we're doing through our relationships with external charters. Our Diversity Action Group has continued to provide an invaluable 'check and challenge' to our practice, along with our improved Equality Impact Assessment processes and renewed 'Diversity and Inclusion' classroom training.



Remuneration Policy

We recognise that the skills, knowledge and experience of our workforce is a huge contributor to the delivery of high-quality services and a key factor in our achievement in our registered services. In support of our objective to attract, recruit and retain quality staff, we are committed to ensuring that we pay fair and competitive salaries.

Our policy on remuneration is to ensure that St Anne's remains sustainable whilst also offering an attractive reward package that includes both financial and non-financial benefits. Our rates of pay are informed by sector wide benchmarking through participation in benchmarking studies and comparison with charity and social care sector data. Where possible, we look to pay above the median rate when considering rates of pay offered by our direct competitors. St Anne's has also developed a job evaluation framework, providing a mechanism to score and compare job roles to ensure they sit at the appropriate salary point internally, whilst using benchmarking data from the sector to assess competitiveness.

In March 2020 the organisation commenced a period of collective consultation with its Trade Unions (Unison and the RCN), on a review of terms and conditions. These changes were intended to ensure a more consistent and equitable set of terms and conditions across the organisation, which are fair, competitive and balanced. Through the proposals, we wanted to ensure that no staff member is paid below £9 per hour, and also that the majority of people benefit financially from the changes. We pay our Support Workers £9.45 per hour, a rate of pay which is in excess of the National Living Wage Foundation rate of £9.30 per hour (outside London). Such a rate propels St Anne's into a position of paying one of the highest rates in Yorkshire and the North East when compared to its other care sector competitors.

The Board are consulted on, and approve, decisions on overall pay awards, taking account of affordability, benchmarking, and economic trends in the sector.

Remuneration of the executive team is determined by the Remuneration and Nominations Committee, a committee of the Board. No Trustees are paid, with the exception of reasonable expenses.

The organisation complies with its requirements under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and is committed to eliminating gender pay inequality. In March 2019, St Anne's published its most recent gender pay gap report, showing a marginal 0.7% mean pay gap in favour of male staff. As requirements to publish 2020 data have been suspended due to the impact of Covid-19 we will continue to present our gender pay gap data and written statement on our corporate website with the steps we are taking to ensure fair pay, remuneration and reward for all staff, regardless of gender.

Compliance with the Charity Governance Code

We believe in good governance, and this has a key role in our organisation, influencing how we make decisions and facilitating the Board's role in monitoring activities and developments. Since our last annual report, we have continued to strengthen our governance.

Our Board committee structures have bedded-in and are proving effective. The four new Trustees appointed during the year have been appointed to appropriate committees, where they are already making a significant contribution. The committees are required annually to review their performance and identify priorities for the following year. This in turn informs the annual review of the committees' terms of reference, to ensure they continue to be appropriate.

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We have adopted the Charity Governance Code for Larger Charities to guide and support us in developing and maintaining good governance standards and practices. This Code sets out seven principles, along with key outcomes for each principle, which boards are encouraged to meet. The principles are leadership; integrity; decision-making, risk and control; Board effectiveness; diversity; and openness and accountability – all underpinning organisational purpose. The Code, which describes itself as 'deliberately aspirational' and 'a tool for continuous improvement', also includes a number of detailed practice recommendations.

Since adopting the Code in 2017, we have worked hard to implement its guidance and, recognising that governance is a proactive and ongoing work in progress, we continually strive to meet evolving best practice. Monitoring and reporting on compliance with the Code is part of our structured governance procedures, culminating in an annual review by the Board, which considers compliance, progress and areas for future focus.

St Anne's achieves the Code's key outcomes and we continue to endeavour to reflect the Code's seven principles through on-going review and a drive for continuous improvement. In our previous annual report, we identified areas where we felt our compliance could be stronger. We have responded to these by, for example, implementing annual performance reviews for all our Trustees along with an internal review of the Board's effectiveness, and improving our Trustee recruitment and induction processes.

Work on the Client Involvement Strategy has also been progressed, enabling the introduction of a revised Client Involvement Policy in January 2019. Nevertheless, the Board appreciates that further strengthening, checking and challenging our own work will continue to be necessary, and has approved a plan for specific improvements. The main areas of focus in this plan relate to the adoption of a new strategic vision and plan for St. Anne's, and further strengthening and standardising our risk management systems. We remain focussed on strengthening our governance, and we look forward to reporting a further improved governance position next year.

Compliance with Regulator of Social Housing standards

The Board considers that St Anne's complies with the Governance and Financial Viability Standards for registered social housing providers. Our system of internal control is designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests. Our self-assessment framework contains stress testing of risks and assumptions to ensure objectives and viability are fully deliverable.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which includes the regular evaluation and assessment of the nature and extent of risks to which the organisation is exposed.

The Registered Social Housing regulatory returns, such as financial forecasts and statistical data, are submitted in an accurate and generally timely manner. The Board also considers that effective controls are in place to ensure security of assets, the proper accountable and transparent use of public funds and that effective systems are in place to monitor and accurately report delivery of our plans. Any risks to the successful delivery of financial plans are identified and effectively managed.

During the year, following a review of the senior management structure, a full-time Director of Housing and Estates (DHE) was appointed to ensure specialist leadership and advice to the Board on rents, Value for Money and Economic and Consumer Standards. The Chief Finance Officer monitors compliance with the Economic Standards, and the Director of Housing and Estates monitors compliance with the Consumer Standards. Reports for both are also presented to the Quality Assurance and Risk Management and Health and Safety Committees. There is effective management and scrutiny in place including cost control and improving Value for Money, with regular reporting to the Finance and Performance Committee and the Board.

Furthermore, in late 2019/20, the Board committed to reviewing our self-assessment of the Regulator of Social Housing standards and to date, we have completed a self- assessment of six of the seven Standards. We are currently reviewing the final one, Value for Money Standard and Strategy, and this will be finalised in 2020/21.

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Internal controls assurance

During 2019/20, the Audit Committee revised the internal audit programme to ensure that greater internal audit scrutiny was given to key areas within the organisation. This programme forms an important part of the work, and shaped part of our focus on risk management, governance and operational performance.

The Trustees continue to ensure that financial procedures and decision-making controls are strong across the organisation, that they remain effective and that they support good systems of financial and operational resilience.

The following are just some of the examples of how we ensure we have effective organisational controls in place:

- We provide themed management information and KPIs on a regular basis, to the Senior Management Team and the Board;
- We share and cascade management information and KPIs across the organisation, to services and to our people;
- We develop financial modelling focused around potential future organisational performance and impact. We then discuss and agree key actions in order to optimise our performance;
- We follow an agreed business cycle of committee meetings, where each committee is responsible for gaining assurance around different areas of organisational controls, for example the Pensions and Investment Committee reviews our on-going investment and pension schemes to ensure they provide the best Value for Money and are sustainable;
- We monitor, track and review risks, following our risk management strategy, and through our corporate risk register; and
- We closely monitor and track our financial and payroll controls.

St Anne's continues to work with BDO LLP as our independent internal auditors. In collaboration with BDO, the Audit Committee agreed an internal audit programme for 2019/20 and has set an equally challenging programme for 2020/21, reviewing identified priority areas.

This work programme has demonstrated that a number of measurable improvements have been achieved through implementation of key recommendations raised previously.

However, given the organisation actively targeted some higher risk audit areas this year, a number of further recommendations have been identified that once achieved will provide further assurance. These have been assessed in the context of mitigating controls in place and the continued work undertaken by St Anne's both during 2019/20 and into 2020/21 to further develop the internal controls environment.

Trustees consider that these collectively offer sufficient assurance to be able to regard the internal controls position as satisfactory overall but recognise the additional opportunities for improvement that exist for 2020/21.

Compliance with s172 of the Companies Act 2006

The Trustees confirm here their compliance with s172 of the Companies Act 2006, which should be read alongside other elements of the report of the Trustees, incorporating the strategic report.

The Trustees recognise the need for the organisation to operate in a way that considers and is fair to all of its stakeholders, which is similarly recognised through its charitable purpose and embedded within the culture and values of the organisation, referenced in page 6 of this annual report.

The organisation takes account of the longer-term impacts of its decisions as laid out in our strategic objectives, on page 6, and there will be further focus on this in 2020/21 as we reset our strategic plan for the next 5 years.

Employee interests are also at the heart of what we do, with our approach to people, diversity and inclusion and remuneration described further in pages 18 to 20 of this annual report. The organisation has a strong regard for both the communities it works within and environment as set in our Corporate Social Responsibility statement, on page 9 of this annual report.

Equally the Trustees confirm the organisation's continued drive to maintain a reputation for high standards as demonstrated through our approach to governance, included more generally on pages 8 to 9 and specifically in terms of compliance with the charity governance code on pages 20 to 21.

ST ANNE'S COMMUNITY SERVICES
Trustees' report

Statement of public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The organisation's charitable objects are enshrined within its Articles of Association and as such the Trustees ensure that the organisation's activities are carried out for the public benefit through its strategic priorities. This report allows us to show how our charitable funds are spent and the impact that has on those using our services, as well as the wider impact on society.

Any fundraising activities we conduct are compliant with the Charity Commission's guidance on fundraising.

Statement of Trustees' responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the annual report, which incorporates the strategic report and financial statements in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the organisation, and of the incoming and outgoing resources and application of resources, including income and expenditure for the period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Housing Statement of Recommended Practice (SORP);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislation in other jurisdictions.

The Trustees confirm that, insofar as they are aware:

- There is no relevant audit information of which the organisation's auditor is unaware; and
- They have taken all steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

External auditors

Mazars LLP is eligible to act as an auditor under the relevant section of the Companies Act 2006.

By order of the Board

I W McIntosh
IW McIntosh (Dec 3, 2020 14:37 GMT)

Ian McIntosh
Chair of Board of Trustees

Dec 3, 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF St Anne's Community Services

Opinion

We have audited the financial statements of St Anne's Community Services (the 'association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2020 and of its surplus 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 association 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 association'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 strategic 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.

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.

ST ANNE'S COMMUNITY SERVICES
Trustees report

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Trustees report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 association and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 returns adequate for our audit have not been received from branches not visited by us; 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 X, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the association'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 association or to cease operations, or have no realistic alternative but to do so.

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.

ST ANNE'S COMMUNITY SERVICES
Trustees report

Use of the audit report

This report is made solely to the association'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 association'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 association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Vincent S. Marke

Vincent Marke (Dec 9, 2020 16:22 GMT)

Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor,
3 Wellington Place,
Leeds,
LS1 4AP
Date: Dec 9, 2020

ST ANNE'S COMMUNITY SERVICES
Trustees report

Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	2	42,877	44,833
Operating costs	2	<u>(43,311)</u>	<u>(45,214)</u>
		(434)	(381)
Surplus on disposal of housing properties	5	<u>1,476</u>	<u>20</u>
Operating surplus / (deficit)	7	1,042	(361)
Interest receivable and similar income	6	43	24
Other finance interest	20	<u>(148)</u>	<u>(199)</u>
Surplus / (deficit) for the year		937	(536)
Other comprehensive (cost) / income on defined benefit pension scheme	20	<u>(8,106)</u>	<u>2,710</u>
Total comprehensive (deficit) / income for the year		<u>(7,169)</u>	<u>2,174</u>

The organisation's results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on Dec 3, 2020 and signed on its behalf by:

I W McIntosh

I W McIntosh (Dec 3, 2020 14:37 GMT)

Mr I McIntosh

Chair of Board of Trustees

P. R. Roberts

P. R. Roberts (Dec 3, 2020 14:11 GMT)

Mr P Roberts

Trustee & Chair of Audit Committee

Company Registration Number 1089026

ST ANNE'S COMMUNITY SERVICES
Trustees report

Statement of Changes in Reserves
For the year ended 31 March 2020

	Investment revaluation reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2018	8	5,814	5,822
Total comprehensive income	-	2,174	2,174
Balance as at 31 March 2019	8	7,988	7,996
Movements in the year	-	(7,169)	(7,169)
Balance at 31 March 2020	8	819	827

The accompanying notes form part of these financial statements.

ST ANNE'S COMMUNITY SERVICES
Trustees report

Statement of Financial Position
At 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed Assets			
Housing properties	8	8,919	9,041
Other tangible fixed assets	9	4,533	4,578
Fixed asset investments	10	1,509	1,510
		14,961	15,129
Current assets			
Properties held for sale	11	-	678
Trade and other debtors	12	4,802	5,707
Investments	13	4,445	4,391
Cash and cash equivalents		7,210	5,040
		16,457	15,816
Creditors: amounts falling due within one year	14	(4,016)	(3,960)
Net current assets		12,441	11,856
Total assets, less current liabilities		27,402	26,985
Creditors: amounts falling due after more than one year	15	(10,941)	(12,100)
Provision for Liabilities	17	(210)	(210)
Net pension liability	20	(15,424)	(6,679)
Total net assets		827	7,996
Reserves			
Investment revaluation reserve		8	8
Income and Expenditure reserve		819	7,988
Total reserves		827	7,996

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on Dec 3, 2020 and signed on its behalf by:

I W McIntosh
I W McIntosh (Dec 3, 2020 14:37 GMT)

Mr I McIntosh,

Chair of Board of Trustees

P. R. Roberts
P. R. Roberts (Dec 3, 2020 14:11 GMT)

Mr P Roberts

Trustee & Chair of Audit Committee

Company registration number: 1089026

ST ANNE'S COMMUNITY SERVICES
Trustees report

Statement of Cash Flows

For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Net cash generated from operating activities	16	458	669
Cash flow from investing activities			
Acquisition and construction of housing properties		(76)	(77)
Purchase of other tangible fixed assets		(391)	(269)
Purchase of intangible fixed assets		-	(125)
Proceeds from sale of fixed assets		2,190	119
Net cash provided by / (used in) investing activities		1,723	(352)
Cash flow from financing activities			
Interest received and similar income		43	24
Net change in cash and cash equivalents		2,224	341
Cash and cash equivalents and investments at beginning of the year		9,431	9,090
Cash and cash equivalents and investments at end of the year		11,655	9,431

The accompanying notes, on pages 31 to 49, form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status

St Anne's Community Services is a registered housing provider, a charity and a company limited by guarantee. The registered office is 6 St Marks Avenue, Leeds LS2 9BN. The organisation is incorporated in England and Wales, company registration number 1089026.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are presented in Sterling (£). St Anne's Community Services is a public benefit entity in accordance with FRS 102. The financial statements have been prepared on the historical costs basis except where specified in the accounting policies.

Going concern

The organisation's business activities, its current financial position and factors likely to affect its future development are set out in the report of the Trustees (incorporating the strategic report). The organisation has cash and investment balances which provide adequate resources to finance the organisation's day to day operations and committed expenditure. The organisation has a plan which shows that these resources are sufficient to continue to fund operations.

Our planning processes, including financial projections, take into consideration the current economic climate and in particular the currently known impact of Covid-19, hence ultimately the potential impact on our various sources of income and planned expenditure. We acknowledge our pension fund obligations and are developing a clear strategy to manage the deficit on the West Yorkshire Pension Fund. The Audit Committee and the Board have carefully considered the relevant conditions and performed an assessment. The Trustees have concluded, based on a review of forecasts and budgets, that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the organisation to continue as a going concern.

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. For this reason, the organisation continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Judgements

In terms of revenue recognition on grant income, many of the contracts are long term contracts and some of these are funded by way of grant income. Typically grant income is received in line with the costs incurred on the contract. However, there are some exceptions, mostly historical, where deferred revenue for grant income has been held on the balance sheet to reflect the risk that repayments may be required for excess grant income received and/or there may be recovery through future changes in grant rates and/or to act as a contingency for unexpected one-off contract costs. There is judgement in assessing how much deferred income is required for grants at year-end. The deferred revenue from grant income in the balance sheet at 31 March 2020 was £304k (2019: £429k) and the amount released to the income and expenditure account in the year was £125k (2019: £845k).

In terms of contingent liabilities, as at the date of this annual report, we are waiting on clarification on the law, following the judicial review of Royal Mencap Society v Tomlinson-Blake, on the application of average national minimum/living wage (NMW/NLW) to non-contractual sleep-in hours for our support workers (please see note 19 for further details). Due to the uncertainty over the final outcome of the

ST ANNE'S COMMUNITY SERVICES
Trustees report

ongoing legal proceedings and limitations over the ability to assess and reliably measure the value of potential liabilities, the Trustees do not consider that the criteria for making a provision have been met.

Estimates

Useful economic lives of depreciable assets – management reviews its estimate of the useful economic lives of depreciable assets at each reporting date based on the expected use of the assets. Uncertainties in these estimates primarily relate to changes in improvement programmes for components and the Decent Homes Standards, which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2020 was £12,221k.

Defined benefit obligation – management's estimate of the defined benefit pension valuation is based on several critical underlying assumptions such as the standard rate of inflation, mortality, discount rate and anticipation of future salary increases. Variations in these assumptions may significantly impact on the valuation of the defined benefit obligation and the annual defined benefit expenses. The defined benefit pension liability at 31 March 2020 was £15,424k (2019: £6,679k), with further details and explanation in note 21.

Basis of consolidation

The organisation has taken advantage of the exemption from preparing group financial statements contained in Section 402 of the Companies Act 2006 on the grounds that its subsidiary undertaking is immaterial to the Group under section 405(2) of the Act. Details of the subsidiary undertaking are set out in note 10.

Turnover and revenue recognition

Turnover comprises rental income receivable, fees and grants from central and local government and the proceeds of fundraising activities. Revenue grants are recognised as income when the conditions for receipt of grant funding have been met and/or they no longer meet the criteria to allow them to be retained on the balance sheet. Rental income is recognised when properties become available for letting, net of any voids. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with administering authorities.

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings and development costs.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of Housing Properties

The organisation separately identifies the major components which comprise its properties held for social housing and non-social housing lettings and charges depreciation, so as to write down the cost of each component to its estimated realisable value, on a straight-line basis, over its estimated useful economic life.

The organisation depreciates the major components of its properties held for social and non-social housing lettings using the following useful lives:

Structure	75 years
Roof	50 years
Electrics	40 years
Heating, ventilation and plumbing	30 years
Windows	30 years
Boilers, kitchens & bathrooms	15 years

Other fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal monthly instalments over the expected useful lives of the assets. The useful economic lives applied are as follows:

Improvements to leasehold premises	Period of lease
Furniture, fixtures and fittings	2 years
Computer equipment	3 years
Motor vehicles	4 years
Office and workshop equipment	5 years
Software	5 years

Government Grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Where Government Grants have a corresponding legal charge on the property for the open market value then the grant will be recorded at the net book value of the asset. Where Government grants are not linked to an open market value legal charge, then these are recognised in income over the life of the asset under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the organisation will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Other Grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the organisation is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Impairment

Annually, housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken, comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the organisation, its recoverable amount is its fair value less costs to sell.

Investments

Non-quoted investments are accounted for on a historical cost basis less any provision for impairment. Quoted investments are accounted for at market value at the balance sheet date. Any upward movement in valuation is taken to the investment revaluation reserve and shown in the statement of Comprehensive Income except to the extent that an upward revaluation is in respect of a previous reduction charged as impairment to the Income and Expenditure account. In this event, the upward revaluation is credited to the Income and Expenditure account to the extent of the previously impaired value. Any reduction in investments value is charged to the investment reserve and shown in the statement of total recognised surpluses and deficits, to the extent that there has been a previous upward valuation. Any excess reduction in market value over previous upward valuations is charged to the income and expenditure account.

Financial Instruments

Basic and non-basic financial instruments (as defined in Section 11 of FRS102) are shown at market value (for quoted investments) or at transaction value less any provision for impairment. The organisation has not adopted hedge accounting for any financial instruments.

Allocation of head office expenses

Head office salaries and overhead expenses are charged to the various housing and non-housing activities of the organisation as a percentage of income.

ST ANNE'S COMMUNITY SERVICES
Trustees report

General Charity Fund

The General Charity Fund has been created from donations and the proceeds of fundraising activities and is available to meet expenditure within the organisation's objectives for which no other finance is available. The Fund is included within Income and Expenditure Reserves in the Statement of Financial Position.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the organisation. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Where deferral of payment terms has been agreed at below market rate, and, where material, the balance is shown at the present value, discounted at a market rate.

Cash and Cash equivalents

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

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provision for liabilities

Provisions are recognised when the organisation has an obligation as a result of a past event. The organisation recognises a provision for future losses on contracts entered into before the year end. The amount recognised as a provision is the best estimate of the expected losses over the remaining term of these contracts.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. The organisation recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Pensions

The organisation participates in two funded multi-employer defined benefit schemes, the National Health Service Pension Scheme ("NHS Pension Scheme") and the West Yorkshire Pension Fund (WYPF). For the National Health Service Pension, the scheme does not allow identification of the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge includes the employer contribution payable to the scheme for the accounting period. The NHS Pension Scheme is in respect of those specific employees who have transferred their employment into the organisation via a TUPE agreement agreed with commissioners in relation to specific contractual and legal agreements.

ST ANNE'S COMMUNITY SERVICES
Trustees report

For WYPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the organisation through reduced contributions or through refunds from the plan. The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

The government introduced auto enrolment pension schemes when employers were phasing out their provision of pension schemes for employees due to cost. The auto enrolment scheme allows eligible employees access to a pension scheme that is contributed to by their employer as well as themselves. Scottish Widows is the auto enrolment pension scheme for the organisation's contracted staff with The People's Pension chosen as the provider for our non-contracted (casual) staff. Eligibility to be automatically enrolled on the Scottish Widows scheme is that the member of staff must be over 21 years old but under state pension age and be paid over £10k per annum. Contributions to the scheme are four per cent from St Anne's and four per cent from the employee. Eligible staff will automatically be enrolled but with the option to opt out. Any employee that exercises their option to opt out of the scheme will be automatically re-enrolled every three years (as part of the tri-annual assessment) if they are eligible, to allow them the opportunity to become a member of a pension scheme and make a provision for their retirement through this route. They will be given the option to opt out each time.

Supported housing managed by agencies

Social housing capital grants are claimed by the organisation as developer and owner of the property and included in the balance sheet of the organisation as appropriate.

The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the organisation and its managing agents and on whether the organisation carries the financial risk.

Where the organisation holds the support contract with the Supporting People Administering Authority and carries the financial risk, the entire project's income and expenditure is included in the organisation's income and expenditure account (see note 2).

Where the organisation holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account include only that income and expenditure which relates solely to the organisation. Other income and expenditure of projects in this category is excluded from the organisation's income and expenditure account (see note 2).

ST ANNE'S COMMUNITY SERVICES
Trustees report

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

	Turnover £'000	Operating costs £'000	Operating surplus / (deficit) £'000
For the year ended 31 March 2020			
Social housing lettings	14,111	(12,309)	1,802
Other social housing activities			
St Anne's Centre	372	(368)	4
Respite Services	2,373	(2,512)	(139)
Tenancy support - Other funding	16,880	(17,349)	(469)
Funded projects	1,205	(2,128)	(923)
Other	133	(397)	(264)
Total other social housing activities	20,963	(22,754)	(1,791)
Non-social housing activities			
Lettings	7,392	(7,799)	(407)
Other	411	(449)	(38)
Total non-social housing activities	7,803	(8,248)	(445)
Grand total	42,877	(43,311)	(434)
	Turnover £'000	Operating costs £'000	Operating surplus / (deficit) £'000
For the year ended 31 March 2019			
Social housing lettings	12,767	(11,411)	1,356
Other social housing activities			
St Anne's Centre	194	(241)	(47)
Respite Services	2,623	(2,952)	(329)
Tenancy support - Supporting People	913	(838)	75
Tenancy support - Other funding	18,314	(18,994)	(680)
Funded projects	1,301	(1,828)	(527)
Fund raising & Publicity	19	(34)	(15)
Other	1,117	(1,229)	(112)
Total other social housing activities	24,481	(26,116)	(1,635)
Non-social housing activities			
Lettings	7,178	(7,340)	(162)
Other	407	(464)	(57)
Total non-social housing activities	7,585	(7,687)	(102)
Grand total	44,833	(45,214)	(381)

2. TURNOVER OPERATING COSTS AND OPERATING (DEFICIT) / SURPLUS (continued)

PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Hostels & Supported Housing £'000	Residential Care Homes £'000	Total 2020 £'000	2019 Total £'000
Net rental income				
Rent receivable net of identifiable service charges	1,671	5,336	7,007	7,720
Service income	2,636	-	2,636	2,501
Charges for support services	754	-	754	690
Net rental income	5,061	5,336	10,397	10,911
Other income	1,027	1,285	2,312	500
Amortisation of government grants	129	51	180	184
Other movement in grants	1,172	50	1,222	1,172
Turnover from social housing lettings	7,389	6,722	14,111	12,767
Expenditure on social housing lettings				
Management and care	(3,879)	(6,182)	(10,061)	(5,983)
Services	(575)	(553)	(1,128)	(4,810)
Routine maintenance	(780)	(307)	(1,087)	(586)
Bad debt	(33)	-	(33)	(32)
Operating costs on social housing lettings	(5,267)	(7,042)	(12,309)	(11,411)
Operating surplus/(deficit) on social housing lettings	2,122	(320)	1,802	1,356
Void losses	(383)	(301)	(683)	(624)

ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

At the end of the year accommodation in management was as follows:

	2020 No.	Units with Change of use	Units taken out of use	2019 No. (restated)
Social housing				
Supported housing and hostels	273			273
Residential care homes	133	7	(4)	130
Total owned	406	7	(4)	403
Accommodation managed for others	68		(1)	69
Total managed	474	7	(5)	472
Non-social housing				
Registered nursing homes	83	(7)		90
Total owned	83	(7)		90
Accommodation managed for others	5			5
Total managed	88	7		95

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2. TURNOVER OPERATING COSTS AND OPERATING (DEFICIT) / SURPLUS (continued)
2(a) FUNDRAISING AND PUBLICITY

	2020 £'000	2019 £'000
Gifts and donations received	8	19
Direct charitable expenditure	<u>(18)</u>	<u>(20)</u>
Transfer from general charity fund	<u>(10)</u>	<u>(1)</u>
Fund raising and publicity cost	<u>-</u>	<u>1</u>

3. KEY MANAGEMENT PERSONNEL

Key management personnel comprise the members of the Board, the Chief Executive Officer (CEO) and other members of the Senior Management Team (SMT). No emoluments were paid to members of the Board during the year.

	2020 £'000	2019 £'000
Emoluments of the Organisation's key management personnel: (salary, pension contributions, employer's National Insurance and benefits in kind)	<u>815</u>	<u>688</u>
Emoluments of the highest paid employee (salary, pension contributions, employer's National Insurance and benefits in kind)	<u>162</u>	<u>146</u>

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2019: £nil)

The full-time equivalent number of staff members who received emoluments (salary, pension contributions and benefits in kind, excluding employers' National Insurance contributions):

	2020 No.	2019 No.
£60,001 - £70,000	2	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	3	1
£100,001 - £110,000	-	-
£120,001 - £130,000	-	2
£140,001 - £150,000	1	-
£160,001 - £170,000	1	-

In 2019/20 there were 9 different people included as part of the SMT. This year, in line with reporting requirements, only those above £60,000 are shown above. The SMT is made up of the following roles; CEO; CFO; Director of Operations, Quality and Safety; HR Director; and Housing Director.

The Interim Chief Finance Officer (CFO) was the highest paid director in the year. However, it should be noted that his emoluments are inclusive of VAT, as is the case with the other interim directors. The interim directors were not members of any of the organisation's pension schemes. Similarly, no enhanced or special terms were applied to any of the key management personnel.

	2020 £	2019 £
Total expenses* reimbursed to the directors of the organisation	<u>1,418</u>	<u>13,413</u>

*The Trustees (all of whom are directors) receive only essential expenses.

4. EMPLOYMENT INFORMATION

Average monthly number of employees expressed in full time equivalent of 35 hours:

	2020 No.	2019 No.
Finance and administration staff	62	68
Maintenance and development staff	5	6
Care staff	1,124	1,258
	<u>1,191</u>	<u>1,332</u>

Employee costs:

	2020 £'000	2019 £'000
Staff costs (for the above employees)		
Wages and salaries	31,089	32,214
Social security costs	2,173	2,406
Other pension costs	2,884	2,383
	<u>36,146</u>	<u>37,003</u>

Agency staff costs are included within employee costs. Agency costs in the year were £2,942k (2019: £2,381k).

5. SURPLUS ON PROCEEDS FROM PROPERTIES HELD FOR DISPOSAL

	2020 £'000	2019 £'000
Disposal proceeds	2,190	119
Carrying value of asset	(714)	(99)
	<u>1,476</u>	<u>20</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Release of provision made to reduce bank deposit	-	3
Bank and building society interest receivable	43	21
	<u>43</u>	<u>24</u>

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7. OPERATING (DEFICIT) / SURPLUS

Operating (deficit) / surplus is arrived at after charging:

	2020	2019
	£'000	£'000
Depreciation of freehold housing property	193	240
Depreciation of other tangible fixed assets	423	390
Auditors' remuneration (excluding VAT):		
- Fees payable for the financial statement audit	34	28
- Fees for other audit services: audit of subsidiary accounts	<u>3</u>	<u>2</u>
Total audit services	<u>37</u>	<u>30</u>
- Tax compliance services	<u>-</u>	<u>1</u>
- Total non-audit services	<u>-</u>	<u>1</u>
Operating leases		
- Land & buildings	179	86
- Other	<u>414</u>	<u>406</u>

8. TANGIBLE FIXED ASSETS – Housing Properties

	Freehold housing property
	£'000
Cost	
1 April 2019	14,970
Additions to existing properties	76
Disposals	(131)
31 March 2020	<u>14,915</u>
Depreciation and Impairment	
1 April 2019	5,929
Depreciation charge for the year	193
Disposals	(126)
31 March 2020	<u>5,996</u>
Net book value at 31 March 2020	<u>8,919</u>
Net book value at 31 March 2019	<u>9,041</u>

The cost of freehold property at 31 March 2020 includes interest capitalised of £270k (2019: £270k)

	2020	2019
	£'000	£'000
Expenditure on works to existing properties:		
Improvement works capitalised	76	77
Amount charged to income and expenditure account	315	136
	<u>391</u>	<u>213</u>

8. TANGIBLE FIXED ASSETS – Housing Properties (continued)

Social Housing Grants

	2020 £'000	2019 £'000
Balance at 1 April	12,379	12,656
Amortised within Statement of Comprehensive Income	(291)	(277)
Released on disposal	(912)	-
	<hr/>	<hr/>
Balance at 31 March	11,176	12,379
Recognised in:		
Creditors: amounts falling due within one year	236	280
Creditors: amounts falling due after more than one year	10,940	12,099
	<hr/>	<hr/>
	11,176	12,379

All Grants received are classified as Social Housing Grants.

Social Housing Grants are receivable from the Homes and Communities Agency. Grants received for properties under construction are classified as creditors falling due within one year. Once properties have been completed, the grant is classified as a creditor falling due after more than one year and is amortised over the life of the structure of those properties.

9. OTHER FIXED ASSETS

	Other freehold properties £'000	Additions to leasehold premises £'000	Office and workshop equipment £'000	Furniture fixtures and fittings £'000	Motor Vehicle £'000	Intangible Assets £'000	Total £'000
Cost							
1 April 2019	6,492	33	869	3,081	4	125	10,604
Additions	52	14	178	143	-	-	387
Disposals	(3)	-	(36)	(195)	-	-	(234)
31 March 2020	6,541	47	1,011	3,029	4	125	10,757
Depreciation							
1 April 2019	2,432	33	754	2,806	1	-	6,026
Charge for the year	97	3	87	210	1	25	423
On disposals	(3)	-	(28)	(194)	-	-	(225)
31 March 2020	2,526	36	813	2,822	2	25	6,224
Net book value							
31 March 2020	4,015	11	198	207	2	100	4,533
31 March 2019	4,060	-	115	275	3	125	4,578

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10. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2020	2019
	£'000	£'000
Interest in subsidiary	-	-
Investment Fund Plans, at valuation	1,509	1,510
Net book value at 31 March 2020	<u>1,509</u>	<u>1,510</u>

The historical cost of fixed asset investments is £1,500k (2019: £1,500k).

Investment Fund Plans	£'000
Market value at 1 April 2019	1,510
Disposals	-
Additions	-
Change in market value	<u>(1)</u>
Market value at 31 March 2020	<u>1,509</u>

The Organisation owns the whole share capital (two £1 ordinary shares) of St Anne's Trading Limited, a company registered in England and Wales.

The trading results are not consolidated numbers of St Anne's Community Services and St Anne's Trading Limited, whose results are presented and audited in its own annual report.

11. PROPERTIES HELD FOR SALE

	2020	2019
	£'000	£'000
Net book value at 1 April	678	678
Disposal	(678)	-
Net book value at 31 March	<u>-</u>	<u>678</u>

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12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Arrears of rent	1,341	686
Less: Provision for bad and doubtful debts	<u>(60)</u>	<u>(113)</u>
	1,281	573
Invoiced debtors (net of provision)	1,716	3,174
Other debtors	497	187
Prepayments and accrued income	1,225	1,771
Amounts owed by subsidiary company	<u>83</u>	<u>2</u>
	<u>4,802</u>	<u>5,707</u>

The total value of debtors on payment plans is not considered to be material and therefore discounting has not been applied.

At 31 March 2009, a deposit of £1,092k with Kaupthing, Singer & Friedlander was written down to its then estimated realisable value of £529k. During the eleven years ended 31 March 2020, £945k has been repaid.

13. CURRENT ASSET INVESTMENTS

	2020	2019
	£'000	£'000
Money market deposits	<u>4,445</u>	<u>4,391</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade creditors	1,062	594
Pension contributions	277	261
Other creditors	522	1,065
Deferred income - revenue grant	304	429
Accruals and deferred income	1,171	868
Other taxation and social security	444	463
Deferred capital grant income	236	280
	<u>4,016</u>	<u>3,960</u>

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15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Other loan	1	1
Deferred capital grant income	10,940	12,099
	<u>10,941</u>	<u>12,100</u>

The loan is repayable at varying rates of interest by instalments over more than 5 years and is secured by a special charge on a housing property.

Deferred Capital Grant Income:	£'000	£'000
As at 1 April 2019	12,379	12,656
Released to income	(1,203)	(277)
As at 31 March 2020	<u>11,176</u>	<u>12,379</u>
Released in one year	236	280
Released in more than one year	10,940	12,099
	<u>11,176</u>	<u>12,379</u>

16. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2020	2019
	£'000	£'000
Deficit for the year	(7,170)	(536)
Interest receivable	(43)	(24)
Interest payable	-	199
Depreciation	616	630
Increase in provisions	-	10
Surplus on disposal of fixed assets	(1,493)	(20)
Amortisation of grants	(1,159)	(277)
Decrease in debtors	905	1,031
Increase / (decrease) in creditors	57	(1,137)
FRS102 Pension Adjustment	8,745	793
	<u>458</u>	<u>669</u>

17. PROVISIONS

At 31 March 2020, following review by management, the following provisions were made:

A provision of £210k (2019: £210k) for contract losses resulting from the potential non-recovery of billed income.

18. CONTINGENT LIABILITIES

National living wage and sleep-ins

We are waiting on clarification on the law on the application of average national minimum/living wage (NMW/NLW) to non-contractual sleep-in hours for our support workers, which is expected in the summer of 2020. Although the organisation has ensured that payments since 2014 meet the latest case law interpretation of NMW/NLW requirements, the current legal proceedings concern a potential liability for historic payments before 2014.

Due to the uncertainty over the final outcome of the ongoing legal proceedings and limitations over the ability to assess and reliably measure the value of potential liabilities, the Trustees do not consider that the regulatory criteria for making a provision has been met. However, in order to provide stakeholders with guidance around the potential impact, a contingent liability of circa £200k is noted. At the date of signing the financial statements, this is the best estimate of the potential liability, based on the available governmental guidance regarding both the value and inclusion of elements within the liability calculation and reasonable assumptions concerning how claims for back pay may be determined.

19. LEASING COMMITMENTS

The future minimum lease payments to be made by the organisation are as follows:

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring:				
In one year or less	143	162	65	17
Between one and five years	36	252	21	389
	<u>179</u>	<u>414</u>	<u>86</u>	<u>406</u>

20. PENSIONS

The organisation currently utilises two main pension schemes where there are a notable number of members, with Scottish Widows and the West Yorkshire Pension Fund (WYPF). Beyond the two main schemes, we also have a number of TUPE staff who are members of the NHS (National Health Service) Pension Scheme and a number of people in a historic auto-enrolled People's Pension.

NHS Pension Scheme

The NHS Pension Scheme is a multi-employer defined benefit scheme. The scheme is unfunded. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers and, due to the nature of the scheme, the income and expenditure account charge for the period under FRS102 represents the employer contribution payable.

Employer contributions were made at the rate of 14.38% during the accounting period. Payments to the scheme in the period amounted to £295k (2019: £276k). Members' contributions are banded according to earnings. The scheme is subject to full valuations every four years (previously every five years). The last valuation took place as at 31 March 2017. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published every October. These accounts can be viewed on the NHS Pension Agency website at www.nhspa.gov.uk.

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The People's Pension auto enrolment pension scheme

Contributions were made at 1% during the accounting period. The total payments to The People's Pension auto enrolment pension scheme during the period were £10k (2019: £16k).

Scottish Widows auto enrolment pension scheme

Contributions were made at 4% and 7% (7% for members of the Scottish Widows Group Personal Pension that preceded the auto enrolment scheme) during the accounting period. The total payments to the Scottish Widow auto enrolment pension scheme during the period were £614k (2019: £632k).

West Yorkshire Pension Fund (WYPF)

WYPF is a multi-employer scheme with more than one participating employer, which is administered by the City of Bradford Metropolitan District Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit credit method.

Regular employer contributions to the WYPF were made at 26.8% of pensionable pay in the accounting period. Total payments from employer contributions were £1,475k (2019: £1,515k). For 2020/21, and the following two years, the employer contribution rate has been set by WYPF at 37.6% of pensionable pay.

As the scheme is closed to new members with effect from 31 March 2012, under the projected unit method of valuation, the current service cost will increase as the members of the scheme approach retirement.

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 102 basis were:

	31 March 2020 % per annum	31 March 2019 % per annum	31 March 2018 % per annum	31 March 2017 % per annum
Rate of increase in salaries	2.15	2.00	1.60	2.60
Rate of increase in pensions in payment	1.90	2.10	2.10	2.00
Discount rate	2.30	2.50	2.60	2.60
Inflation assumption - CPI	1.90	2.10	2.10	2.00

St Anne's Community Services employed a building block approach in determining the rate of return on Fund assets. Historical markets were studied and assets with higher volatility were assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class for the years ended 31 March 2015 to 31 March 2020 is set out within this note. The overall expected rate of return on assets was then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2020.

The post retirement mortality assumptions are based on the recent actual mortality experience of members within the fund and allow for expected future mortality improvements. The sample life expectancies at age 65 resulting from these mortality assumptions are:

	2020 % per annum	2019 % per annum
Retiring today:		
Males	21.8	22.2
Females	24.6	25.4
Retiring in 20 years:		
Males	22.5	23.2
Females	25.7	27.2

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20. PENSIONS (continued)

Amounts recognised in the Statement of financial position

	2020 £'000	2019 £'000
Present value of funded obligations	(95,054)	(94,144)
Fair value of plan assets	79,630	87,465
Net pension liability	(15,424)	(6,679)

Amounts recognised in surplus or deficit

	2020 £'000	2019 £'000
Current service cost	1,969	1,983
Past service cost	-	299
Amounts charged to operating costs	1,969	2,282
Interest on net defined benefit liability	148	199
Amounts charged to other finance costs	148	199

Amounts recognised in other comprehensive income

	2020 £'000	2019 £'000
Actuarial gains/(losses) on liabilities	915	(197)
Actuarial (losses)/gains on assets	(9,021)	2,907
Net amount recognised in other comprehensive income	(8,106)	2,710

Changes in present value of defined benefit obligations:

	2020 £'000	2019 £'000
Opening defined benefit obligation	94,144	91,176
Current service cost	1,969	1,983
Past service cost	-	299
Interest cost	2,323	2,347
Actuarial (gains)/losses on liabilities	(915)	197
Benefits/transfers paid	(2,804)	(2,214)
Member contributions	337	356
Closing defined benefit obligation	95,054	94,144

20. PENSIONS (continued)

Reconciliation of opening and closing balances of the fair value of scheme assets:

	2020	2019
	£'000	£'000
Opening fair value of assets	87,465	82,779
Interest income on scheme assets	2,175	2,148
Actuarial gains on assets	(9,021)	2,907
Contributions by employer	1,478	1,489
Member contributions	337	356
Net benefits paid	(2,804)	(2,214)
Closing defined benefit obligation	79,630	87,465

Major categories of plan assets as a percentage of total plan assets:

	2020	2019
Equities	77.5%	74.0%
Bonds	14.7%	15.2%
Property	4.5%	4.7%
Cash /liquidity	1.9%	2.3%
Other	1.4%	3.8%
	100.0%	100.0%

	2020	2019
	£'000	£'000
Actual return on plan assets	(6,846)	5,055

An allowance has been made for the impact of the McCloud judgement within the FRS 102 valuation.

Admission agreement for admission to WYPF

In connection with a contract between City of Bradford Metropolitan Council and St Anne's, an agreement for admission to a new section of WYPF was entered into with effect from 20 December 2011. The agreement is specific to eligible staff transferred to St Anne's by virtue of the contract and will terminate on the expiry or earlier termination of the contract. This section of the WYPF was fully funded at the start of the agreement. Subject to the organisation complying with specific clauses in the agreement, any deficit relating to this section of the fund will be subsumed by the Council.

Due to the subsumption arrangements in place, assets and liabilities relating to this section of the WYPF have not been included in the organisation's balance sheet.

21. RELATED PARTY TRANSACTIONS

St Anne's Community Services paid £65k (2019: £68k) on behalf of St Anne's Trading Ltd, which St Anne's Community Services wholly owns.

There were no monies owed to or by related parties at the end of the year.

There were no other related party transactions in the year (2019: £nil).

22. CATEGORIES OF FINANCIAL ASSETS AND LIABILITES

	2020 £'000	2019 £'000
Financial Assets at amortised cost		
Rent and Service Charges receivable	1,281	573
Invoiced Debtors	1,716	3,174
Other Debtors	497	187
Accrued Income	908	1,773
	<u>4,402</u>	<u>5,707</u>
Financial Liabilities at amortised cost		
Trade Creditors	1,062	594
Other Creditors	522	1,065
Deferred income – revenue grant	304	429
Deferred Capital Grant	236	280
Accruals and deferred income	1,171	1,148
Other taxation and social security	444	463
Pension Contributions	277	261
	<u>4,016</u>	<u>3,960</u>

23. NON-RECURRING COSTS

Included within expenditure are non-recurring costs of £700k for transition costs and other one-off costs following a decision to look to standardise Terms and Conditions of employment and ensure we are set up to operate effectively going forward. Similarly included with expenditure are dual management costs of £300k for the periods where there were permanent and interim Chief Executive Officers and Chief Finance Officers in place.