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**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 2021**

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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 2021. 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)  
P Brown  
G Dalton  
P Garnett  
B Machin  
G Osborne  
J Riley  
P Roberts (resigned 12 February 2021)  
M Turnbull  
T Watters  
I Currell (appointed 1 March 2021)  
O Laird (appointed 1 March 2021)  
A Leech (appointed 1 March 2021)  
A Sully (appointed 1 March 2021)

### **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<sup>th</sup> Floor, Toronto Square, Toronto Street,  
Leeds, LS1 2HJ

DAC Beachcroft LLP  
23 Park Square South,  
Leeds, LS1 2ND

### **Pensions and Investment 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

## **CHAIR'S WELCOME**

In 2021 St Anne's Community Services celebrates its 50<sup>th</sup> year. From humble beginnings as St Anne's Day Shelter in 1971 supporting homeless men in Leeds to becoming a leading northern based charity proud to support people with learning disabilities, mental health, substance misuse and homelessness issues, our journey has been a long one, where we have always continued to hold onto the same strong core principles.

At St Anne's we are proud to make a difference every day by providing the highest quality, person centred care and support.

This is reflected not only in how we operated during our first 50 years but is also embedded in our recently launched 5 year strategy, making it a cornerstone for how we will operate in the future.

Whilst 2021 is be a year for celebrating our 50th anniversary, all of us are very aware that this has also been a year of change and challenge. We have faced unprecedented operational and financial challenges during the year, most dramatically the Covid-19 pandemic. Whilst Covid-19 has certainly affected St Anne's, we have continued to provide excellent care and support to our clients throughout. That has only been possible through the extraordinary team spirit and dedication shown by our staff. Not only front-line staff working with our clients but right across the organisation our people have gone "above and beyond". On behalf of the Board and St Anne's wider stakeholders I would therefore particularly like to thank all our staff for their continued dedication and commitment to our clients in this exceptionally challenging year.

Our clients are at the centre of everything we do, and it is pleasing to report that our Care Quality Commission (CQC) ratings have remained consistently high over the last year, with the vast majority of our CQC rated services scoring Good or Outstanding, ahead of the national sector averages.

Our people are our key asset. As such we are committed to the continuous development of our staff and investing in their training and support. In the past year we have also finalised the simplification of our staff terms and conditions, this in turn has allowed us to be able to pay the national Real Living Wage for almost all (98%) of our staff, with the intention to pay the national Real Living Wage for all staff in future years.

St Anne's can only continue to deliver its charitable purpose into the future if it is financially sustainable. Our financial performance for 2020/21, described in the following pages, reflects the challenges within the social care sector and the effect of the Covid-19 pandemic. Nevertheless, our underlying trading results, before the movements in the pension scheme valuation and the one-off property disposal last year, are not dissimilar to the previous year. These results reinforce the importance of financial sustainability, so that we can continue to support our clients with their evolving needs, reinvest in our current services and develop new services to meet the changing needs of the most vulnerable people in our society.

During 2020/21 St Anne's appointed Azra Kirkby as Chief Executive Officer (CEO), having acted as interim CEO for several months. This and other management changes in the previous year have allowed St Anne's to benefit during this year from a stable Senior Management Team which has been able to make significant changes to take the organisation forward and to navigate the challenges Covid-19 has presented.

Our Board of Trustees has been further strengthened by four new trustees who have already made a positive impact. The Trustee role carries significant responsibility and so I am grateful to all the Trustees for assuming that responsibility and for their commitment to St Anne's during the past year.

To all of those who have supported us this year, the Trustees offer their gratitude. The Board is looking forward to 2021/22 with cautious optimism, whilst remaining realistic about the challenges we continue to face.

*I W McIntosh*

I W McIntosh (Sep 23, 2021 16:32 GMT+1)

Ian McIntosh,  
Chair of Board of Trustees

## **CHIEF EXECUTIVE'S WELCOME**

The year has presented some significant challenges for St Anne's, most notably with the impact of Covid-19; however along the way it has also demonstrated how adaptable and resilient we can be as an organisation, particularly in the way we support and train our colleagues.

Covid-19 has provided all health and social care settings with a challenge; St Anne's has risen to that challenge through the dedication of our staff ensuring our clients remain supported to a high standard and feel safe. We recognise how difficult this time has been for our clients and our staff, adapting and dealing with the risks of Covid-19 on the front line, and also for families and friends who have not been able to visit their loved ones during lockdown. I would like to thank all of our staff for the sacrifices they have made to ensure the people we support have remained safe, cared for and supported during the pandemic.

Over the past few months we have worked closely with staff and clients alike in preparing our new Strategy for 2021 to 2026 - 'A Life Without Limits' - and we are excited to be launching this and setting our direction for the next five years. This will take St Anne's on an exciting journey with its clients, staff and stakeholders, all working together. Alongside this we have also refreshed our vision, purpose and values. Our values in particular are building on the previous values and represent both the current ethos of the organisation and the culture we want to further embed within St Anne's. They represent everything we are PROUD of within St Anne's. Our ambitious vision 'a life without limits for the people we support' embodies how we strive to support our clients every day and further builds on our purpose which is simply to 'make a difference' to the people we support.

St Anne's continues to develop as an organisation and over the past year we have continued to maintain high quality standards with continued good and outstanding ratings from CQC within the vast majority of our services and again this can only be achieved through the skill, dedication, and commitment of our staff.

Financially we have made a deficit in the year, with the main drivers of this being the impact of Covid-19, and the changing valuation of our defined benefit pension scheme, again partly driven by the impact Covid-19 has had on liability assumptions. Some of these factors are out of our control, however we do also recognise that the costs associated with the defined benefit pension scheme are not sustainable for us as a charity and as such, following consultation, we have taken steps to reduce very substantially the active membership of the scheme which will come into effect in 2021/22.

Despite the financial challenges we face, we believe it is important to recognise the importance of our staff and at the end of the financial year we have again been able to announce a salary increase that puts all of our staff at or above the national Real Living Wage. In a sector where funding is challenging and paying front line staff to this level is therefore difficult for most organisations, we hope that this helps to attract new people to St Anne's and retain our existing staff so that we can continue to deliver great outcomes for our clients who are some of the most vulnerable people in society.

I would also 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 year. Their voluntary roles carry significant responsibility and they have continued to give a considerable amount of support and devotion to the organisation throughout this challenging year.

As we celebrate our 50<sup>th</sup> year, we look forward optimistically as to how we can adapt and grow further so that we continue to meet our client needs over the next 50 years!

*Azra Kirkby*

Azra Kirkby (Sep 23, 2021 11:53 GMT+1)

Azra Kirkby,  
Chief Executive Officer

## **REPORT OF THE TRUSTEES (incorporating the strategic report)**

The Trustees, who are the Directors for the purpose of company law, present their report along with the financial statements of St Anne's Community Services for the year ended 31 March 2021.

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

St Anne's was founded 50 years ago, 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 services include:**

- 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).

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

### **We work predominantly in the following areas:**

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

**Yorkshire & the Humber:** Bradford, Calderdale, City of York, East Riding, Kirklees, Leeds, North Yorkshire, Sheffield, Wakefield, and Hull.

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**

A life without limits for the people we support.

## **Our Purpose**

To make a difference every day. Providing high quality care and support to enable people to lead independent and fulfilled lives.

Making a difference every day is a philosophy that is strongly interwoven into the cultural fabric of St Anne's. It is part of who we are. We do this by providing the highest quality, person centred care and support.

## **Our Values**

We are PROUD to make a difference every day.

**Person Centred:** We place people at the centre of everything we do and think about how our decisions affect them. We promote choice and we treat people as individuals.

**Respectful:** We respect each other's opinions and beliefs and treat everyone with dignity. We ensure an inclusive environment, and we celebrate diversity.

**Open:** We communicate in an open, honest, and transparent way and we share information with each other. We act with integrity, and we do what we say we will.

**Understanding:** We are understanding of the needs of others, and we work in a caring and compassionate way. We are kind and we support each other.

**Dedicated:** We are dedicated to improving the lives of the people we support every day and delivering quality services.

## **Our strategic commitments**

Our three strategic commitments for the next five years through to 2026, and the pillars supporting each commitment, are as follows:

### **Strategic Commitment 1: Our commitment to our people, communities, and the environment**

Pillar 1: Enabling our Clients – To ensure that the people we support are at the centre of everything we do, creating strong, individual pathways for people to live their best life.

Pillar 2: Empowering our People – We are a people organisation – people supporting people, and we want to be recognised as a greater place to work, an 'employer of choice' to our employees and to people outside of our organisation.

Pillar 3: Delivering Social Value to our Communities – To increase, measure and evidence our social impact for people, local communities, and the environment.

### **Strategic Commitment 2: Our commitment to excellence and innovation in service delivery**

Pillar 4: 'Good to Great' Quality and Continuous Improvement – To be an exemplar of high-quality and best practice within the social care sector – from 'good to great' – delivering great services and achieving great outcomes.

Pillar 5: Consolidation, Innovation & Expansion – To consolidate our existing range of services, develop innovative and creative services that support pathways for people and expand our offer to new localities.

Pillar 6: An Integrated Housing Solution – To develop and invest in our housing and assistive technology offer. Offering a truly integrated approach that will enable greater access to high quality, affordable homes that meet evolving individual needs.

**Strategic Commitment 3: Our commitment to business sustainability, value for money and digital transformation**

Pillar 7: Digital Transformation – To make systems and processes more efficient and to use technology to build greater connectivity, quality, and capacity within the organisation.

Pillar 8: Organisational Resources and Sustainability – To ensure that everything we do considers and represents value for money, and we operate in a way which is financially sustainable in both the short and long term.

**Our performance and achievements**

Throughout 2020/21 we continued our work to make a difference, providing high quality care and support to enable people to lead independent and fulfilled lives. Some examples of our achievements this year include:

**Our clients:**

- We relaunched our Client Involvement Group. St Anne's Expert Voices and Experiences Network (SEVEN) group help to further enhance client involvement and influence throughout St Anne's.
- We achieved accreditation from the Restraint Reduction Network for our Positive Behaviour Support training, reducing physical interventions and supporting people with challenging behaviours to have greater choice and control.
- Clients from our SEVEN group have been using Microsoft Teams to recruit to senior positions in the organisation such as the Director of Operations and Head of Quality and Continuous Improvement.

**Our staff:**

- Regional Operations Manager Mark Fennelly was shortlisted by The Guardian in their annual 'Public Servant of the Year' award for caring and supporting some of our most vulnerable people for almost three decades.
- We continue to make excellent progress towards greater inclusivity and equality in the workplace. We are now ranked 9th in the Stonewall Workplace Equality Index with Gerard Wainwright, First Line Manager at our Heatherstones service, being awarded Stonewall Ally of the Year for the Yorkshire and Humber Region.
- We completed a consultation on amending the terms and conditions of our workforce, ensuring the organisation is more attractive and competitive. We demonstrated our commitment to fair pay by paying above the national Real Living Wage Foundation rate.
- We relaunched our Diversity Action Group as a staff network to encourage colleagues from all backgrounds to champion our journey to increasing diversity in every part of the organisation.
- We held our annual Staff Celebration of Achievement event virtually for the first time, bringing together people from across the organisation to showcase the best of St Anne's.
- We designed and commenced delivery of our new Leadership Development Programme, developing talent and skills to help us deliver on our ambitious 2021- 2026 Business Strategy.
- St Anne's is proud to have been shortlisted for two Great British Care Awards. Two of our staff from the North-East have been recognised for their outstanding work and contribution.

**Our services:**

- We celebrate a CQC milestone – 100% of all CQC registered supported living services rated 'Good' or above. Kings Mill Court becomes our first service to receive an overall 'Outstanding'. We have also commenced the development of our 'Good to Great' quality and continuous improvement plan for 2021-2026.
- We invested in a new business development and marketing team to work with our operations to help drive the organisation forward through the development of new and innovative service delivery models that reflect evolving client aspirations for greater choice and independence.
- Work commenced on expanding our 'Women's Hub' in Leeds to provide a safe space for vulnerable women who have no place to go.

- We expanded our Supported Living Services to the City of Hull. An exciting opportunity for St Anne's to deliver innovative and creative services in a new area.
- We significantly reduced the cost and usage of agency staff by 28% and 33% respectively when compared to the previous year. This has had a positive impact on the quality of care and support we provide to our clients.
- We celebrate St Anne's 50th Anniversary as a leading care and support provider. As part of our celebrations, we launched our new brand.

Our systems and processes:

- Our Covid-19 response. Our dedicated staff teams were selfless in supporting our clients throughout this terrible pandemic. We partnered with Leeds City Council to support homeless people in hotels across the city. We developed an in-house PPE stock system and worked with other providers to ensure our services had all the PPE they needed throughout the pandemic. We worked with a local Gin distiller on the brink of closure to help supply us with alcohol gel for our care homes and we collaborated with a local trouser maker to produce PPE gowns to help keep our staff safe.
- Our IT department have been awarded with Cyber Essentials Plus accreditation. Showing a commitment to security, and demonstrating to your business partners, regulators, and suppliers that we are at the forefront of cyber security and safeguarding sensitive data.

### **Corporate Social Responsibility**

Our Commitment to Corporate Social Responsibility (CSR) continues across the work we do with clients and beyond with large and smaller sized partners and the local communities where we are based. Covid-19 has presented us with an opportunity to do things differently which has meant that we have had to find different ways of working and delivering CSR in ways that are still meaningful and add value. We have retained the same themes and have learnt new skills and built new relationships along the way, we are an organisation that is proud to deliver against our values, and one that is proud to have its CSR themes wholly embedded.

### **The Market**

The people we provide care and support for will always be at the very heart of the services we deliver. That will not change, nor will the level of influence they have in shaping our approach. Our strategy recognises that people's needs change and new approaches are developed. St Anne's has a philosophy of continuous improvement. We are proactive in monitoring and applying emerging best practice, research, and evidence, and seeking innovation so that our practice reflects the latest standards and evidence, and we can further improve the care and support we provide.

### **Workplace**

For some of us the workplace has changed, from office to home, that has worked for some but not all, but the reality is that the "workplace" is wherever the people we support are, we are privileged to be invited into the homes of people we support. Those staff that sit behind desks undertake the tasks that enable and support operational and frontline staff to deliver consistent, high quality care and support. During Covid-19 those operational and frontline staff have proved again and again that their commitment and dedication to their role is more than just a job, quite literally for some it has been a way of life. St. Anne's values the loyalty of all staff and continues to recognise and reward that loyalty and dedication that is shown to the clients and the families who have chosen us to provide their care.

### **Environment**

In the last year we have had to find different ways of contributing to our environment and reducing our impact, lockdown has seen the many of our office based staff working from home, reducing travel time, and utility consumption, whilst many of our operational and front line staff have been working with clients to revamp and re-establish gardens, vegetable plots and creating calm and serene spaces to sit and reflect on the thoughts of the day. From spade to plate wholesome vegetable initiatives to the unexpected added value of the creation of wildlife habitat where birds and small mammals have become the regular visitors and for some clients more than a passing interest.

## **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**

This reporting period has seen the review and redevelopment of two key governance documents; The Governance Framework and the Risk Management Framework. The frameworks provide the structure and detail the interrelated relationships and factors as well as touching on other elements that influence the organisation. Importantly both also set out the respective roles and responsibilities of the management structure, and reference to policy, systems and processes used across the organisation.

St Anne's Community Services continues to maintain the Charity Governance Code for Large Charities and continues to promote good practice and good governance through its seven principles. Furthermore, we have adopted the 2020 Code of Governance produced as discussed in more detail below.

We published this year our Modern Slavery Statement, which explains our approach to Modern Slavery across the following areas:

1. Organisation structure and supply chains.
2. Policies in relation to slavery and human trafficking.
3. Due diligence processes that we have in place.
4. Key performance indicators that measure the steps we are taking.
5. Training on modern slavery and trafficking.

## **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 or for 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. This will allow us to continue to demonstrate our commitment to meeting the Decent Homes Standard.

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.

## **Our Finances**

Our income for the year 2020/21 was £44.7m, up on the previous year by £1.7m (4.2%), from £42.9m; however our operating costs have grown by a similar proportion. The vast majority of our income comes from providing services directly to the people we support and in the main from local authority contracts. Our funding therefore supports our work with people with learning disabilities, mental health issues, substance misuse and homelessness through services that range from support in the community, supported living, through to residential care.

Our deficit for the year before the actuarial loss on our pension schemes is £0.7m, compared with a surplus of £0.9m last year. Last year's surplus was helped by a one-off property sale worth £1.5m, hence before the sale last year we would have made a deficit of £0.6m, which is in line with the 2020/21 deficit.

This year's deficit is further driven by further national living wage increases and other cost pressures; however the most notable cost pressure has obviously been Covid-19 with additional staffing, PPE and equipment costs. For some of these costs we have received funding through the local authorities and Government funding more generally; however not all of these costs have been covered, so this unfunded additional expenditure has had an impact on St Anne's performance in 2020/21. Therefore overall, to come out at a deficit which is similar to last year and ahead of our own internal budget expectations, despite Covid-19, is therefore a creditable result.

It is however important to note that there has been a significant actuarial loss on the West Yorkshire Pension Fund (WYPF) in the year, producing a charge to other comprehensive income in the year of £5.2m, which has resulted in an overall comprehensive deficit of £5.9m for the year. This is however £1.3m better than the overall comprehensive deficit last year.

The result of the movement in the WYPF has led to an overall pension liability of £20.4m on our balance sheet. We continue to monitor this and have plans to manage this liability in the longer term, in particular we will be monitoring the impact the equity markets has on the future pension valuations and make additional contributions to the scheme in the long term if the deficit doesn't reduce further over time.

Before the pensions liability our underlying reserves are healthy at £15.4m; however after the pensions liability we are in a negative reserves and net liabilities position of £5.0m. Again, we will continue to monitor the WYPF position and take appropriate action at the right time to ensure this is manageable for St Anne's.

Additionally, our cash position as an organisation remains strong with £15.8m in cash and investments available to us at the end of 2020/21, which is a £2.6m increase from the previous year.

Looking ahead, alongside striving to continue to deliver the best possible support for our clients, we hope and anticipate seeing: an easing of the impact of Covid-19; the fruits of some of the cost reduction exercises we have undertaken in 2020/21; and to begin to deliver further growth in the services we provide.

#### **Comprehensive income for the five years ended 31 March 2021**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Turnover	44,685	42,877	44,833	44,153	43,387
Operating costs	(45,048)	(43,311)	(45,214)	(43,762)	(44,293)
Pension adjustments*	(532)	491	793	816	236
<b>Controllable Surplus/(Deficit) for the year</b>	<b>(896)</b>	<b>57</b>	<b>412</b>	<b>1,207</b>	<b>(670)</b>

*\*Pension service costs are included within operating costs and so are excluded here to give an underlying controllable surplus/(deficit) position.*

**Statement of financial position for the five years ended 31 March 2021**

	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2018 £'000</b>	<b>2017 £'00</b>
Tangible fixed assets	13,210	13,452	13,619	13,877	15,049
Fixed asset investments	2	1,509	1,510	1,510	1,510
Net current assets	12,844	12,441	11,856	11,209	10,343
<b>Total assets, less current liabilities</b>	<b>26,056</b>	<b>27,402</b>	<b>26,985</b>	<b>26,596</b>	<b>26,902</b>
Creditors due after more than 1 year	10,693	11,151	12,310	12,377	12,658
Net Pension liability	20,367	15,424	6,679	8,397	8,959
<b>Total net assets/(liabilities)</b>	<b>(5,004)</b>	<b>828</b>	<b>7,996</b>	<b>5,822</b>	<b>5,285</b>
Reserves: General Charity Fund	161	127	161	162	172
Investment revaluation	0	8	8	8	8
Revenue reserves	15,202	16,117	14,506	14,049	14,064
FRS 102 pension liability	(20,367)	(15,424)	(6,679)	(8,397)	(8,959)
<b>Total Reserves</b>	<b>(5,004)</b>	<b>828</b>	<b>7,996</b>	<b>5,822</b>	<b>5,285</b>

**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.
- 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 relevant key performance indicators.
- Continuing to invest in our assets and housing stock appropriately and efficiently.
- Having a dedicated procurement team to ensure purchases are of an appropriate quality, at the best possible price and ensuring due process.

We continue to enhance our focus on Value for Money during 2020/21 by reviewing our approach and improving our internal controls and procedures.

### Value for Money Summary

<b>Our Metrics</b>	<b>Housing Median 19/20</b>	<b>Actual 20/21</b>	<b>21/22 Target</b>
Rent arrears	4.9%	3.3%	1.8%
Income collection	99.84%	104.0%	98.2%
Tenant satisfaction (annual survey)	86.9%	86%*	>85%
Re-let times	29 days	99 days	45 days
Voids	5.0%	7.4%	4.0%

\* No survey in 20/21 due to covid-19, showing 19/20 survey results

During the year we have continually reviewed the Value for Money disclosure requirements. 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 below 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.

Our income collection rate was high and recognised some arrears from previous years. We anticipate the rate will settle back down to a rate over 98% in 2021/22.

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, re-let times was longer due to Covid-19, and particularly due to lockdowns and local restrictions.

Similarly, 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 was impacted by Covid-19 meaning that planned efficiencies in reducing the number of voids during the year were not able to be implemented.

<b>Regulator Metrics</b>	<b>19/20</b>	<b>Peer median</b>	<b>Housing Median</b>	<b>Target 20/21</b>	<b>Actual 20/21</b>	<b>Target 21/22</b>
Reinvestment	10.1%	19.7%	6.9%	7.5%	8.7%	7.5%
New Supply	0.0%	4.9%	1.4%	0.0%	0.0%	0.0%
Gearing	N/A	40.4%	44.5%	N/A	N/A	N/A
EBITDA MRI Interest Cover %	N/A	3093.5%	171%	N/A	N/A	N/A
Headline Social Housing Cost	£24,074	£7,880	£3,710	£22,000	£28,971	£26,540
Operating margin social housing %	7.5%	12.1%	26.8%	9.5%	4.0%	9.6%
Operating margin overall %	(2.5%)	10.9%	24.6%	(1.0%)	(1.0%)	0.1%
ROCE%	(4.2%)	5.9%	3.5%	>0%	(1.7%)	>0%

This year's disclosure includes: 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 2021/22.

Investment in our properties has decreased in the year, driven by lockdown restrictions preventing and delaying some of the planned works into 2021/22.

There was no development of new supply in the past year and there are currently no plans for the development of new housing stock in 2021/22.

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.

Our operating margin for social housing came in lower than our target margin. This is attributable to higher costs being incurred due to the Covid-19 pandemic that have not been offset with additional income.

The return on capital employed (ROCE) was negative during the year because of the overall deficit position, and we are anticipating a surplus in 2021/22 which will result in a positive ROCE.

### **Reserves policy**

In the year, the Senior Management Team (SMT) and Board of Trustees have reviewed the reserves policy to both ensure this meets the organisation's long term objectives, and that the current level of reserves is sufficient for any day-to-day variation in operational need. The policy has been updated to reflect the reserves position before and after the long-term pension liability.

The Trustees have considered financial risks, sources of income and variability of costs and set a target level of free reserves at £13.7m, with the objective of retaining liquid cash at over £7.0m, representing approximately two months of expenditure.

As shown in the table below, free reserves, which are defined as unrestricted reserves, excluding functional assets and the long-term pension liability were £13.6m at 31 March 2021.

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>£'000</b>	<b>£'000</b>
Unrestricted reserves	(4,956)	819
Exclude functional assets	12,765	12,933
Exclude deferred grants relating to functional assets	(10,937)	(11,176)
Exclude pension liability	(20,367)	(15,424)
<b>Free reserves</b>	<b>13,583</b>	<b>14,486</b>

The pension deficit of £20.4m (2020: £15.4m) is a longer-term liability that will fluctuate over time, both up and down, and therefore is not taken into account in calculating free reserves. However, this is a liability that needs to be considered when assessing the sufficiency of free reserves. The Trustees are of the view that, in light of the unprecedented impacts on financial markets and their impact on our pension scheme valuation at the balance sheet date, the free 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. The key objectives of our investment policy are to:

- Seek the best financial return within an acceptable level of risk.
- Meet the investment objective for any long-term reserves, which is primarily to generate a return in excess of inflation over the long term. Generation of income to support the on-going activities of St Anne's is a secondary consideration.
- The investment objective for any short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

The Pensions and Investments Committee will continue to monitor the achievement of these objectives and to make any investment recommendations it deems appropriate to the Board.

At 31 March 2021 Fixed Asset investments were valued at £2k (2020: £1,509k), given a number of Fixed Asset Investments matured in the year.

### **Going concern**

St Anne's is well placed to manage the short to medium term financial risks we face. The organisation now has an established and experienced senior management team and group of Trustees able to make appropriate and optimal decisions for St Anne's. Additionally, St Anne's has a strong growth pipeline and has taken effective action to reduce costs in the year. All of these actions support the organisation's ability to continue to operate as a going concern into the future.

We therefore 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 over that period.

Our financial planning processes take into consideration the current economic climate as well as our growth projections linked to our 5-year strategic plan, hence further supporting our view that we are able to continue to operate on a going concern basis.

We do, however, additionally acknowledge our pension fund obligations, which we will continue to monitor and take appropriate action as these obligations continue to fluctuate in the medium to long term, in addition to making the decision during the year, to vastly reduce the active membership of the scheme by 98%.

### **Subsidiary**

St Anne's Community Services has only one subsidiary: St Anne's Trading Limited, a company registered in England and Wales. St Anne's Community Services wholly owns all the 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 continues to be 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 necessarily allow the achievement of rewards or opportunities that managing risks well could 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 continue to demonstrate our ability to identify and manage risks across the organisation, from Board to service delivery level. It supports the business, and both underpins and promotes confidence in growth and development.

**Key points:**

- Risks are identified and recorded in detail at an operational level, as well as being reported at an organisational level.
- Key risks are identified and presented to the Board with a detailed narrative explaining the context and the thinking behind the judgement.
- The risk management framework is meaningful and effective.

**Our approach is consistent and aims for continuous improvement:**

- Strong governance which monitors and reviews performance as well as owning and reviewing policy and process.
- Identification of risks and opportunities from both internal and external perspectives, reflecting regulatory, strategic, operational, IT, legal, environmental, and financial issues.
- 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.

We therefore believe we have a robust and well-developed risk management process, with departmental risk registers feeding into a corporate risk register that identifies and assesses the likelihood and impact of potential risks as well as setting out how the organisation plans to mitigate against those risks. These are live documents but are reviewed bi-monthly by SMT, sub-committees and the Board. The following are some of the more significant risks St Anne's is currently facing:

**Covid-19:** Throughout the year, Covid-19 has continued to impact us all our approach fully reflects Public Health England and other Government statements and advice, and we continue to exercise strong caution.

St. Anne's continues to support clients and staff, taking action promptly to address new risks and new opportunities. St Anne's maintains an appropriate level of PPE, keeping clients and staff as safe as possible.

Whilst we recognise the additional costs and risks associated with Covid-19, we believe we remain positioned and ready to address both the financial challenges and the risks our clients and staff are facing.

**Funding:** St Anne's has a relatively small number of customers and following Covid-19 those customers may face their own challenges which could result in a reduction in income for St Anne's.

Whilst this could be a risk for St Anne's, as part of our new strategy there is a focus on growing our offer with those customers and also expanding the services we provide to new customers. This growth should therefore mitigate against any reliance on a few customers or other cutbacks in funding.

**Meeting our pension obligations:** In particular one of the schemes we have members in, the WYPF, is a costly scheme and meeting the contributions for that scheme as well as the pension deficit is a challenge.

In order to mitigate against this St Anne's has taken the decision to vastly reduce the membership of the scheme in 2021/22 which will therefore significantly reduce our on-going pension contribution obligations under the scheme.

### **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.
- 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 sub-committee working groups that provide focus on key areas, and a suite of procedures that are designed to ensure our charitable objectives are met. Our Articles of Association meet the needs of our current structures and 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. The Board of Trustees currently meets every two months with additional ad hoc meetings for exceptional business.

There are clear distinctions between the roles of the Board of Trustees and the Senior Management Team (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 (SMT). Matters such as strategy, policy and budgets are prepared by the SMT for consideration and approval by the Trustees, who then monitor their operation and implementation.

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 includes advertising in the national press and online, and if appropriate a targeted recruitment search.

St Anne's have appointed four new Trustees, and all have undertaken an induction programme tailored to their areas of expertise and governance obligations. All Trustees are provided with training opportunities to help them meet their responsibilities. The balance of the Trustee group 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. There are currently thirteen 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 and Risk
- Finance and Performance
- Health and Safety
- Pensions and Investments
- Quality
- Remuneration and Nominations

### **Audit and Risk Committee**

The Audit and Risk Committee provides the Board with an independent and objective review of the organisation's financial and risk management systems. Financial systems are reviewed through the committee by oversight of the internal audit programme and ensuring compliance with laws and regulations governing the organisation through review of the external audit process. Risks are reviewed in relation to monitoring, checking, and challenging the risk registers and providing assurance that they 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.

### **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.

### **Quality Committee**

The Quality Committee has prime responsibility for advising the Board on the suitability and adequacy of the organisation's quality management systems and processes. It also supports the effective implementation of the governance framework and risk management framework by ensuring the monitoring and reviewing of the impact of their implementation through associated departmental risks and key performance indicators.

### **Remuneration and Nominations Committee**

The Remuneration and Nominations Committee keeps under review the membership of the Board and oversees processes for recruiting and appointing potential new Trustees to the Board. It determines the remuneration of the Chief Executive and other members of SMT and the overall SMT remuneration policy. It also has an oversight role for governance.

### **Our People**

Ensuring that the organisation develops and supports its people continues to be of upmost strategic importance to St Anne's. In the most challenging of years, social care has been shown to be of key importance to society and a sector which plays a vital role in ensuring the safety and welfare of the most vulnerable.

Only through the combined effort of permanent employees, trained casual staff, volunteers and student placements can St Anne's deliver on its outcomes of high quality, person centred care and support. In normal circumstances working within social care is challenging, but in this last year our people have truly gone above and beyond for the people we support. By continuing to work through the pandemic our people have placed the safety and welfare of others above their own and have taken significant challenges in their stride. We are, as we have always been, incredibly proud of all of our people.

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 Respect, being Open, Understanding and dedicated in everything we do is at the heart of what our people do. In this our 50<sup>th</sup> anniversary year our people have been at the heart of the process of re-framing our organisational vision and values, a key foundation to the design of our new organisational strategy and our brand refresh.

As of 31st March 2020, St Anne's employed 1,348 members of staff made up of: 989 support workers, 59 nurses, 65 deputy managers, 71 service or area managers working at operational and front line level in our services, supported by 164 staff in our central support functions or other roles. The organisation has seen a small but steady increase in its overall headcount thanks to successfully reducing the levels of vacancies across services throughout the year and some organic growth of services. We look forward with anticipation to welcoming more new colleagues to St Anne's in 2021/22 as we expand our services in South Yorkshire and, for the first time, into the city of Hull.

There is no doubt that this year has been dominated by the global Covid-19 pandemic and the need to adapt to the impact of Covid-19 in our personal lives and the world of work. Throughout the year the organisation has shown incredible agility and flexibility in amending its working practices and a great resilience to maintain its operational services. We have supported our office based teams to work from home and helped them manage the challenges that are created by this blurring of home and work. Our operational services have risen to the challenge of additional PPE and infection control measures and have been incredible in helping the people we support adapt to the changes in Covid-19 rules. As an organisation we have helped ensure the safety of our extremely clinically vulnerable staff by utilising the coronavirus jobs retention scheme to ensure they can shield and amended our sick pay policies so that staff are not financially disadvantaged by the requirement to self-isolate. In recognition of the amazing work and dedication our people have shown through the pandemic, we also paid two separate Thank You payments to our workforce in the financial year.

The year has been one of great change for the organisation as the need to ensure that the organisation is equipped to meet the challenges of the future has remained throughout the pandemic. Two large scale collective consultation exercises on changes to our terms and conditions and defined benefit pension scheme have led to changes that will support the organisation towards better financial sustainability in the future.

Our commitment to the development of our people has been maintained throughout 2020/21 through the development and launch of our first Leadership Development Programme for over 3 years. This centres around the Skills for Care Well led programme, which will support our managers to improve service delivery. We have transitioned our learning and development provision to remote and blended learning and continued to support our staff with apprenticeships and degree level qualifications. We were incredibly pleased to be able to hold our annual Staff Celebration of Achievement Event as a virtual event for the first time, ensuring we were able to mark the achievements of our people across the previous 12 months despite not being able to meet in person.

As we move forward, our focus will turn to the implementation of our new People Strategy, which will support our overarching organisational objectives by focusing on how we Support, Value, Protect and Sustain our staff, improving St Anne's as a place to work both now and in the future.

### **Equality, diversity, and inclusion**

Recognising and celebrating our diversity in an inclusive environment for our staff and clients is, and will continue to be, a priority for St Anne's.

We are mindful that many of our clients experience significant health inequalities and barriers to support, which at times prevent them from being fully included in their community. The reality of Covid-19 has created new challenges for people who are marginalised and disadvantaged, including those with disabilities, long-term health conditions, inadequate housing, mental health challenges and substance misuse issues.

We know we are in a privileged position to empower the people we support and make a difference to their lives every day. Our Support Workers and Nurses continue to make us proud, often at personal sacrifice during an unprecedented year of uncertainty and fear in the context of the global pandemic.

St Anne's Expert Voices and Experience Network (SEVEN) has adapted to new ways of working, using video calls to facilitate meaningful service user involvement to ensure clients remain at the heart of everything we do, even when we cannot be together in person. Many of our client experts have learnt new skills and supported several appointments to the Board and the Senior Management Team.

We continue to embed the Skills for Care 'confident with difference' approach to supporting everybody at St Anne's. This year we have recommitted to efforts to maintaining the Mindful Employer, Disability Confident and Stonewall Diversity Champions standards. In addition, our staff have formed a new project group, working towards the Profound and Multiple Learning Disabilities (PMLD) Core and Essential Standards.

During this reporting period we were pleased to confirm two of our directors as senior role models for diversity and inclusion. Mario Caswell, Director of Business Development, takes up the role as champion for LGBT inclusion whilst Naseer Ahmed, Director of Housing, leads on BAME inclusion and race equality.

As global events remind us of the need for racial justice, St Anne's has welcomed the revival of its BAME staff network, focussing specifically on race equality and cultural competency for our workforce and the communities we serve. The group has been instrumental in shaping our approach to supporting BAME staff and clients during Covid-19, as well as refining our diversity and inclusion training and our celebration of Black History Month and interfaith dates.

During this reporting period we have continued to promote inclusion with the help of our Marketing and Communications Manager, the client involvement groups and our diverse staff networks. Our Diversity Calendar is now in its fourth year, with key events and awareness campaigns being observed in new and inventive ways, whilst many of us continue to work remotely.

Our policies and procedures ensure that we are inclusive and fit for purpose for diverse workforce and client groups. Their design and review ensure that a 'check and challenge' approach is maintained, along with our equality impact assessment processes.



### **Remuneration Policy**

We recognise that the skills, knowledge, and experience of our people is a huge contributor to the delivery of high-quality 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 2020/21 the organisation undertook a review of its terms and conditions through a period of collective consultation with its Trade Unions (Unison and the Royal College of Nursing). These changes have helped to ensure that the organisation is able to continue to offer an equitable set of terms and conditions across the organisation, which are fair, competitive, and balanced. Through these changes the organisation has been able to ensure that around 98% of the workforce are paid at a rate which is higher than the National Living Wage Foundation rate of £9.30 per hour (outside London) once they pass their probation period. We now pay our Support Workers £9.45 per hour after probation, a rate which 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. We continue to invest in our workforce and by concluding our collective bargaining negotiations much earlier than previous years, we have ensured that a further above inflation pay increase was paid to all staff at the start of our financial year.

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, although they can claim 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 and the 2020 Code of Governance for Housing Associations**

Good governance is a key influence on the organisation's behaviour and culture, as well as facilitating the Board's role in monitoring activities and developments. We always aim for a continuous improvement in, and the development and strengthening of, our governance systems and processes.

Our Board committee structures continue to evolve and mature. Again, this year we have appointed a further four new Trustees who have all gone through induction and mandatory training and based on their knowledge and strengths have been appointed to appropriate committees, where they are already significantly contributing.

#### **The Charity Governance Code:**

We continue to work on the Charity Governance Code for Larger Charities and provide evidence and examples of good governance standards and practices. Set out in seven principles, along with key outcomes for each principle, the Code sets out the following high standards with which we substantially comply:

- Organisational purpose: Our Board is clear about the charity's aims ensuring that these are being delivered effectively and sustainably.
- Leadership: Our organisation is led by an effective Board that provides strategic leadership in line with our aims and values.
- Integrity: Our Board acts with integrity, adopting values and creating a culture which helps to achieve our organisation's charitable purposes. The Board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.
- Decision-making, risk, and control: The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are in place and monitored.
- Board effectiveness: The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds, and knowledge to make informed decisions.
- Equality, diversity, and inclusion: The Board has a clear focus on achieving diversity not only at Board level but to ensure this is considered throughout the organisation.
- Openness and accountability: The Board leads the organisation in being transparent and accountable. St Anne's is open in its work, unless there is good reason for it not to be.

The Code is deliberately aspirational, therefore as an organisation whilst we achieve elements of each of the principles within the code we are focused on continuous improvement of our compliance against the Code.

#### **The Housing Code of Governance:**

Within the reporting period St. Anne's aspired to meet the requirements of the code and to be ready to adopt the 2020 Code of Governance for Housing Associations in March 2021. The new code is designed to help housing associations achieve the highest standards of governance and board excellence setting out standards that housing associations, their boards, and the wider sector should seek to attain.

The 2020 Code has been completely rewritten and restructured to reflect the changes in society, the economy, and the impact they have on the sector and the importance of a greater focus on and protection of the interests of the people we support. In adopting the code, we are working to:

- Ensure the views and needs of clients are at the heart of our strategic decision-making, in line with the "Together with Tenants" initiative.
- Ensure that measures are in place for the safety of clients, staff, and others.
- Ensure that our Board has an oversight of risk and that it thoroughly tests the impact of potential risk scenarios on our organisation.

The code is built around the key values that good governance is based on and overlaps and complements the Charity Governance Code in its reflection, accountability, integrity, openness, and equality, diversity, and inclusion. It has at its heart four core principles which shape the content of the code, each with a set of requirements for organisations to adopt:

- Mission and values
- Strategy and delivery
- Board effectiveness
- Control and assurance

### **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, statistical data, and disposal returns, are submitted in an accurate and 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 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 monitors compliance with the Consumer Standards. Reports for both are also presented to the relevant Committees and Board. 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 2020/21, the Board committed to reviewing our self-assessment of the Regulator of Social Housing standards, this has been completed for all standards demonstrating we substantially comply with each of those standards. We will continue to review the regulatory self-assessments again during 2021/22.

### **Streamlined Energy and Carbon Reporting (SECR)**

St Anne's has followed and used robust and accepted methods to calculate the required information for this SECR Report including the 2019 HM Government Environmental Reporting Guidelines, the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

Based on this our emissions and energy usage for the financial year were:

UK Greenhouse Gas emissions and energy use data for the period 1 April 2020 to 31 March 2021	
<b>Data used to calculate emissions</b>	
Gas (kWh)	4,935,951
LPG (kWh)	86,631
Electricity (kWh)	1,186,630
Transport (kWh)	169,488
Transport (miles)	222,495
<b>Scope 1 GHG Emissions (kg CO<sub>2</sub>e)</b>	
Gas (Natural)	907,573
LPG	18,581
Company / Fleet Vehicles - Diesel	39,100
Company / Fleet Vehicles - Petrol	3,571
<b>Total Scope 1 Emissions (kg CO<sub>2</sub>e)</b>	<b>968,825</b>
<b>Scope 2 GHG Emissions (kg CO<sub>2</sub>e)</b>	
Electricity (Grid Supplied)	276,651
<b>Total Scope 2 Emissions (kg CO<sub>2</sub>e)</b>	<b>276,651</b>
<b>Scope 3 GHG Emissions (kg CO<sub>2</sub>e)</b>	
Grey Fleet	61,169
<b>Total Scope 3 Emissions (kg CO<sub>2</sub>e)</b>	<b>61,169</b>
<b>Total GHG Emissions (kg CO<sub>2</sub>e)</b>	<b>1,306,505</b>
<b>Emissions Intensity Ratio</b>	
Total kg CO <sub>2</sub> e per £1.00 of Total Income	<b>0.030</b>

### **Intensity Measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per £1 of total income.

### **Energy Efficiency Action**

From 1 April 2020 to 31 March 2021 no planned Energy Efficiency Actions were implemented due to the restrictions imposed across the UK during the Covid-19 pandemic.

### **Internal controls assurance**

As part of the internal audit programme St Anne's continues to work with BDO LLP, as our independent internal auditors. For 2020/21, the Audit and Risk Committee agreed a programme of internal audits focused around key risk areas which look to further support strong corporate governance and demonstrate robust and effective controls across the organisation.

In addition to the internal audit programme, assurance is also gained from other controls that have been put in place across the organisation in the year. These include:

- KPI dashboards produced at every committee and Board meeting.
- Enhancements to periodic reporting across the organisation, but also specifically for committees and Board meetings.
- Risk registers reviewed periodically, with owners assigned to each risk and the relevant risks discussed at each committee and Board meeting.

- The implementation of deep-dive service reviews to understand the financial and operational drivers behind each of our services.
- A more timely budget process with full involvement and engagement from stakeholders to ensure the budget and by default our costs and income are better understood.

In collaboration with BDO and SMT, the Audit and Risk Committee have agreed an equally challenging programme of internal audits for 2021/22, reviewing identified priority areas.

The programme in 2020/21 has demonstrated some overall improvements in terms of organisational design and effectiveness compared to the audit areas from the previous year, and a number of examples of good practice. However they equally identified some key areas and recommendations where further improvements can be made, and action plans to address these have been drawn up with progress monitored by the relevant committee.

Considering the above points, Trustees consider that these collectively offer sufficient assurance to be able to regard the internal controls position as satisfactory overall, as well as identifying additional opportunities for improvement.

### **Compliance with s172 of the Companies Act 2006**

The Trustees confirm their compliance with s172 of the Companies Act 2006. Set out below are several examples of compliance, and many others are included in relevant sections throughout this 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 (see page 7). Given we have reviewed and relaunched our values this has been given particular thought in the year, and is particularly recognised in our Person Centred, Respectful and Open values.

The organisation takes account of the longer-term impacts of its decisions, and we have recently produced and launched our next 5 year strategy, setting out our strategic commitments, and supporting plans for the next 5 years from now through to 2026 (see pages 7-8). This in particular focuses on our longer term commitments to; our people; excellent service delivery; and being financial sustainable and delivering value for money.

Employee interests are also at the heart of what we do, as is demonstrated by Person Centred being one of our organisational values and with Empowering our People being one of the pillars within our strategic commitments for the next 5 years (see page 7). Our approach to people, diversity and inclusion and remuneration also has significant focus within St Anne's (see pages 18-21). The organisation has a strong regard for both the communities it works within and the environment as set in our Corporate Social Responsibility statement (see page 9) and with both communities and the environment forming part of one of our three strategic commitments for the next 5 years (see page 7).

The Trustees also confirm the organisation's continued drive to maintain a reputation for high standards as demonstrated in the report on the section on strengthening our governance (see page 10), our committee structure (see pages 17-18) and specifically in terms of compliance with the Charity Governance Code and the Code for Governance for Housing Associations (see pages 21-22).

### **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 the setting and implementation of its strategic priorities. This report also allows us to show how our charitable funds are spent.

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.
- 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.
- 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*

I W McIntosh (Sep 23, 2021 16:32 GMT+1)

Ian McIntosh  
Chair of Board of Trustees  
23 September 2021

## **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 'company') for the year ended 31 March 2021 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 company's affairs as at 31 March 2021 and of its deficit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees' with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Report of the Trustees' other than the financial statements and our auditor's report thereon. The trustees' are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees'.

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 25, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees' either intend to liquidate the company 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the St Anne's Community Services and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and UK pensions legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one-off or unusual transactions and revenue cut-off.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees' and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees' and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

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

  
Vincent Marke (Sep 24, 2021 08:46 GMT+1)

Vincent Marke (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

Sep 24, 2021

**Statement of Comprehensive Income**  
**For the year ended 31 March 2021**

	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Turnover	2	44,685	42,877
Operating costs	2	<u>(45,097)</u>	<u>(43,311)</u>
		<b>(412)</b>	<b>(434)</b>
Surplus on sale of housing property	5	<u>0</u>	<u>1,476</u>
<b>Operating (Deficit) / Surplus</b>	<b>7</b>	<b>(412)</b>	<b>1,042</b>
Interest receivable and similar income	6	56	43
Other finance interest	21	<u>(316)</u>	<u>(148)</u>
<b>(Deficit) / Surplus for the year</b>		<b>(672)</b>	<b>937</b>
<b>Other Comprehensive Income</b>			
Actuarial loss in respect of pension schemes	21	<u>(5,159)</u>	<u>(8,106)</u>
<b>Total Comprehensive Deficit for the year</b>		<b>(5,831)</b>	<b>(7,169)</b>

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 17 September 2021 and signed on its behalf by:

I W McIntosh  
I W McIntosh (Sep 23, 2021 16:32 GMT+1)

Sep 23, 2021

Mr I McIntosh, Chair of Board of Trustees

Oliver Walter Laird  
Oliver Walter Laird (Sep 23, 2021 16:26 GMT+1)

Sep 23, 2021

Mr O Laird, Trustee and Chair of Audit Committee

Company Registration Number 1089026

Statement of Changes in Reserves

	Investment revaluation reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2021</b>			
Balance as at 31 March 2019	8	7,988	7,996
Total Comprehensive Deficit	-	(7,169)	(7,169)
<b>Balance as at 31 March 2020</b>	<b>8</b>	<b>819</b>	<b>827</b>
Total Comprehensive Deficit	(8)	(5,823)	(5,831)
<b>Balance as at 31 March 2021</b>	<b>0</b>	<b>(5,004)</b>	<b>(5,004)</b>

**Statement of Cash Flows**

**For the year ended 31 March 2021**

	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Net cash generated from operating activities	16	2,974	458
<b>Cash flow from investing activities</b>			
Acquisition and construction of housing properties		(100)	(76)
Purchase of other tangible fixed assets		(311)	(391)
Purchase of intangible fixed assets		0	0
Proceeds from sale of fixed assets		0	2,190
Proceeds from disposal of fixed asset investments		1,507	0
		<b>1,096</b>	<b>1,723</b>
Interest received and similar income		56	43
<b>Net change in cash, cash equivalents and money market deposits</b>		<b>4,126</b>	<b>2,224</b>
<b>Cash, cash equivalents and money market deposits at beginning of the year</b>		<b>11,655</b>	<b>9,431</b>
<b>Cash, cash equivalents and money market deposits at end of the year</b>		<b>15,781</b>	<b>11,655</b>

The accompanying notes form part of these Financial Statements

**Statement of Financial Position**  
**For the year ended 31 March 2021**

	<b>Note</b>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Fixed Assets</b>			
Housing properties	8	8,800	8,919
Other tangible fixed assets	9	4,335	4,433
Intangible fixed assets	9	75	100
Fixed asset investments	10	2	1,509
		<b>13,212</b>	<b>14,961</b>
<b>Current assets</b>			
properties held for sale	11	0	0
Trade and other debtors	12	2,973	4,802
Investments	13	4,494	4,445
Cash and cash equivalents		11,287	7,210
		<b>18,754</b>	<b>16,457</b>
Creditors: amounts falling due within one year	14	(5,910)	(4,016)
<b>Net current assets</b>		<b>12,844</b>	<b>12,441</b>
<b>Total assets less current liabilities</b>		<b>26,056</b>	<b>27,402</b>
Creditors: amounts falling due after more than one year	15	(10,693)	(10,941)
Provision for Liabilities	18	0	(210)
Net pension liability	21	(20,367)	(15,424)
<b>Total net (liabilities) / assets</b>		<b>(5,004)</b>	<b>827</b>
<b>Reserves</b>			
Investment revaluation reserve		0	8
Income and Expenditure reserve		(5,004)	819
<b>Total reserves</b>		<b>(5,004)</b>	<b>827</b>

The accompanying notes form part of these Financial Statements.

The Financial Statements were approved by the Board on 17 September 2021 and signed on its behalf by:

I W McIntosh  
I W McIntosh (Sep 23, 2021 16:32 GMT+1)

Sep 23, 2021

Mr I McIntosh, Chair of Board of Trustees

Oliver  
Oliver Walter Laird (Sep 23, 2021 16:26 GMT+1)

Sep 23, 2021

Mr O Laird, Trustee and Chair of Audit Committee

Company registration number 1089026

## **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 2021 was £242k (2020: £304k) and the amount released to the income and expenditure account in the year was £62k (2020: £125k).

## **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 2021 was £12,679k.

*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 2021 was £20,367k (2020: £15,424k), 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.

### **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.

Creditor balances arising through contracts will be held on the balance sheet for six years from the point they have arisen, or from the point our records show they have arisen, whichever is the later, on the basis this is a reasonable limitation period. However such balances will be looked at on a case by case basis and if based on management judgement they believe there is still a reasonable chance of a valid claim against a creditor balance they may be held on the balance sheet for a longer period of time.

### **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.

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 three per cent from St Anne's and five 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).

## 2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

For the year ended 31 March 2021	Turnover £'000	Operating costs £'000	Operating surplus / (deficit) £'000
<b>Social housing lettings</b>	<b>14,492</b>	<b>(13,907)</b>	<b>585</b>
<b>Other social housing activities</b>			
St Anne's Centre	591	(620)	(29)
Respite Services	2,542	(2,322)	220
Tenancy support - Other funding	17,307	(17,253)	54
Funded projects	1,334	(1,267)	67
Other	29	(999)	(970)
<b>Total other social housing activities</b>	<b>21,803</b>	<b>(22,461)</b>	<b>(658)</b>
<b>Non-social housing activities</b>			
Lettings	7,855	(8,426)	(571)
Other	535	(303)	232
<b>Total non-social housing activities</b>	<b>8,390</b>	<b>(8,729)</b>	<b>(339)</b>
<b>Grand total</b>	<b>44,685</b>	<b>(45,097)</b>	<b>(412)</b>

**2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS (continued)**

For the year ended 31 March 2020	Turnover £'000	Operating costs £'000	Operating surplus £'000
<b>Social housing lettings</b>	<b>14,111</b>	<b>(12,309)</b>	<b>1,802</b>
<b>Other social housing activities</b>			
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)
<b>Total other social housing activities</b>	<b>20,963</b>	<b>(22,754)</b>	<b>(1,791)</b>
<b>Non-social housing activities</b>			
Lettings	7,392	(7,799)	(407)
Other	411	(449)	(38)
<b>Total non-social housing activities</b>	<b>7,803</b>	<b>(8,248)</b>	<b>(445)</b>
<b>Grand total</b>	<b>42,877</b>	<b>(43,311)</b>	<b>(434)</b>

## 2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

### PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

For the year ended 31 March 2021	Hostels & Supported Housing £'000	Residential Care Homes £'000	2021 Total £'000	2020 Total £'000
<b>Turnover from social housing lettings</b>				
Rent receivable net of identifiable service charges	1,851	5,649	<b>7,500</b>	7,007
Service income	2,964	0	<b>2,964</b>	2,636
Charges for support services	826	0	<b>826</b>	754
<b>Net rental income</b>	<b>5,641</b>	<b>5,649</b>	<b>11,290</b>	<b>10,397</b>
Revenue grants	98	111	<b>209</b>	2,312
Other income	1,217	1,630	<b>2,847</b>	180
Amortisation of government grants	86	60	<b>146</b>	1,222
<b>Turnover from social housing lettings</b>	<b>7,042</b>	<b>7,450</b>	<b>14,492</b>	<b>14,111</b>
<b>Expenditure on social housing lettings</b>				
Management and care	(4,662)	(6,582)	<b>(11,244)</b>	(10,061)
Services	(653)	(650)	<b>(1,303)</b>	(1,128)
Routine maintenance	(994)	(376)	<b>(1,370)</b>	(1,087)
Bad debt	15	(4)	<b>11</b>	(33)
<b>Operating costs on social housing lettings</b>	<b>(6,294)</b>	<b>(7,612)</b>	<b>(13,906)</b>	<b>(12,309)</b>
<b>Operating surplus on social housing lettings</b>	<b>748</b>	<b>(162)</b>	<b>586</b>	<b>1,802</b>
<b>Void losses</b>	<b>428</b>	<b>190</b>	<b>(618)</b>	<b>(683)</b>

## 2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

### ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

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

	2021 No.	New Units	Units taken out of use	2020 No.
<b>Social housing</b>				
Supported housing and hostels	274	1	-	273
Residential care homes	133	-	-	133
<b>Total owned</b>	<b>407</b>	<b>1</b>	<b>-</b>	<b>406</b>
Accommodation managed for others	73	5	-	68
<b>Total managed</b>	<b>480</b>	<b>6</b>	<b>-</b>	<b>474</b>
<b>Non-social housing</b>				
Registered nursing homes	83	-	-	83
<b>Total owned</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>83</b>
Accommodation managed for others	-	-	(5)	5
<b>Total managed</b>	<b>83</b>	<b>-</b>	<b>(5)</b>	<b>88</b>

### FUNDRAISING

	2021 £'000	2020 £'000
Gifts and donations received	104	8
Direct charitable expenditure	(25)	(18)
<b>Transfer to general charity fund</b>	<b>79</b>	<b>(10)</b>

### 3. KEY MANAGEMENT PERSONNEL

Key management personnel comprise the members of the Board, the Chief Executive and other members of the Senior Management team. No emoluments were paid to members of the Board during the year.

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Emoluments of the organisations key management personnel (salary, pension contributions, employer's national insurance and benefits in kind)	814	815
Compensation for loss of office	0	0
Emoluments of the highest paid employee (excluding pension contributions)	196	162

The full time equivalent number of staff members who received emoluments (salary, pension contributions and benefits in kind)

	<b>2021</b> No.	<b>2020</b> No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	3
£100,000 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1
£160,001 - £170,000	-	1
£190,000 - £200,000	1	-

In 2020/21 there were 7 different people included as part of the Senior Management Team. The SMT is made up of the following roles: CEO, CFO, Director of Operations, HR Director, Housing Director, and Director of Business Development.

The highest paid director in the year was the Chief Executive Officer, who was initially employed on an interim basis and therefore includes £11,152 of VAT.

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Total expenses* reimbursed to the directors of the organisation	49	1,418

*\*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 37.5 hours:

	2021 No.	2020* No.
Finance and administration staff	67	58
Maintenance and housing staff	8	5
Care staff	1,064	1,049
	<b>1,139</b>	<b>1,112</b>

*\*2020 restated at 37.5hrs*

#### Employee costs:

	2021 £'000	2020 £'000
Staff costs (for the above persons)		
Wages and salaries	31,668	31,089
Social security costs	2,442	2,173
Other pension costs	2,776	2,884
	<b>36,886</b>	<b>36,146</b>

#### 5. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

	2021 £'000	2020 £'000
Disposal proceeds	0	2,190
Carrying value of asset	0	(714)
	<b>0</b>	<b>1,476</b>

#### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest Receivable	56	43
	<b>56</b>	<b>43</b>

## 7. OPERATING (DEFICIT)/SURPLUS

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

	2021 £'000	2020 £'000
Depreciation of freehold housing property	219	193
Depreciation of other fixed assets	435	423
Impairment of housing property	-	-
Exceptional costs	-	-
Auditors' remuneration (excluding VAT):		
Fees payable for the financial statement audit	39	34
Fees for other audit services: audit of subsidiary accounts	3	3
<b>Total audit services</b>	<b>42</b>	<b>37</b>
Tax compliance services	4	0
<b>Total non-audit services</b>	<b>4</b>	<b>0</b>
Operating leases		
- Land & buildings	316	179
- Other	333	414

## 8. TANGIBLE FIXED ASSETS – Housing Properties

	Freehold housing property £'000
<b>Cost</b>	
1 April 2020	14,916
Additions to existing properties	100
Disposals	(93)
<b>31 March 2021</b>	<b>14,923</b>
<b>Depreciation</b>	
1 April 2020	5,997
Charge for the year	219
Impairment Charge in year	
Disposals	(93)
<b>31 March 2021</b>	<b>6,123</b>
<b>Net book value at 31 March 2021</b>	<b>8,800</b>
Net book value at 31 March 2020	8,919

	2021 £'000	2020 £'000
Expenditure on works to existing properties:		
Improvement works capitalised	100	76
Amount charged to income and expenditure account	742	315
	<b>842</b>	<b>391</b>

The total accumulated amount of capital grants received as at the balance sheet date is £19.6m (2020: £19.9m).

**8. TANGIBLE FIXED ASSETS - Social Housing Grants**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	11,176	12,379
Amortised within Statement of Comprehensive Income	(238)	(291)
Released on disposal	-	(912)
<b>Balance at 31 March</b>	<b>10,938</b>	<b>11,176</b>
Recognised in:		
Creditors: amounts falling due within one year	245	236
Creditors: amounts falling due after more than one year	10,693	10,940
	<b>10,938</b>	<b>11,176</b>

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. TANGIBLE FIXED ASSETS – Other fixed assets**

	Other freehold properties £'000	Additions to leasehold premises £'000	Office and workshop equipment £'000	Computer Equipment £'000	Furniture fixtures and fittings £'000	Motor Vehicle £'000	Intangible assets £'000	Total £'000
<b>Cost</b>								
1 April 2020	6,541	47	240	772	3,029	4	125	<b>10,757</b>
Additions	53	0	0	118	140	0	0	<b>311</b>
Disposals	(56)	0	0	(1)	(50)	0	0	<b>(107)</b>
<b>31 March 2021</b>	<b>6,538</b>	<b>47</b>	<b>240</b>	<b>889</b>	<b>3,119</b>	<b>4</b>	<b>125</b>	<b>10,961</b>
<b>Depreciation</b>								
1 April 2020	2,526	36	220	593	2,822	1	25	<b>6,224</b>
Charge for the year	102	3	10	105	189	1	25	<b>435</b>
On disposals	(56)	0	0	(1)	(50)	0	0	<b>(107)</b>
<b>31 March 2021</b>	<b>2,572</b>	<b>39</b>	<b>230</b>	<b>697</b>	<b>2,961</b>	<b>2</b>	<b>50</b>	<b>6,551</b>
<b>Net book value</b>								
<b>31 March 2021</b>	<b>3,965</b>	<b>9</b>	<b>10</b>	<b>191</b>	<b>158</b>	<b>2</b>	<b>75</b>	<b>4,410</b>
31 March 2020	4,014	12	20	178	207	2	100	<b>4,533</b>

## 10. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2021 £'000	2020 £'000
Interest in subsidiary	-	-
Investment fund plans, at valuation	2	1,509
<b>Net book value at 31 March</b>	<b>2</b>	<b>1,509</b>

The historical cost of fixed asset investments is £nil (2020: £1,500,000).

Investment Fund Plans	£'000
Market value at 1 April 2020	1,509
Disposals	(1,507)
Additions	-
Change in market value	-
<b>Market value at 31 March 2021</b>	<b>2</b>

### Interest in subsidiary

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 consolidated numbers of St Anne's Community Services and St Anne's Trading Limited, whose results are presented and audited in their own annual report. The financial statements of St Anne's Trading Limited can be obtained from the registered office at 6 St. Mark's Avenue, Leeds, LS2 9BN.

## 11. PROPERTIES HELD FOR SALE

	2021 £'000	2020 £'000
Net book value at 1 April	-	678
Disposal	-	(678)
	-	-
<b>Net book value at 31 March</b>		

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Arrears of rent	430	1,341
Less: Provision for bad and doubtful debts	(59)	(60)
	<b>371</b>	<b>1,281</b>
Invoiced debtors	1,710	1,716
Other debtors	230	497
Prepayments and accrued income	634	1,225
Amounts owed by subsidiary company	28	83
	<b>2,973</b>	<b>4,802</b>

### 13. CURRENT ASSET INVESTMENT

	2021 £'000	2020 £'000
Money market deposits	3,972	3,962
Listed investment fund	522	483
<b>Current asset investments</b>	<b>4,494</b>	<b>4,445</b>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	1,530	1,062
Pension contributions	279	277
Other creditors	604	522
Deferred income - revenue grant	242	304
Accruals and deferred income	2,004	1,171
Other taxation and social security	1,005	444
Deferred capital grant income	246	236
	<b>5,910</b>	<b>4,016</b>

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

	2021	2020
	£'000	£'000
Other loan	1	1
Deferred grant income	10,692	10,940
	<b>10,693</b>	<b>10,941</b>

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.

	2021	2020
	£'000	£'000
Deferred Grant Income:		
At 1 April 2020	11,176	12,379
Received in year	0	0
Released to income	(238)	(1,203)
	<b>10,938</b>	<b>11,176</b>
At 31 March 2021		
Released in one year	246	236
Released in more than one year	10,692	10,940
	<b>10,938</b>	<b>11,176</b>

## **16. NET CASH GENERATED FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deficit for the year	(5,831)	(7,170)
Gain on sales of fixed asset investments	0	0
Interest Receivable	(56)	(43)
Interest Payable	0	0
Depreciation	653	616
Impairment	0	0
Decrease in provisions	(210)	0
Surplus on disposal of fixed assets	0	(1,493)
Amortisation/Release of grants	(248)	(1,159)
Decrease in debtors	1,829	905
Increase in creditors	1,894	57
FRS102 Pension Adjustment	4,943	8,745
	<b>2,974</b>	<b>458</b>

## **17. CAPITAL COMMITMENTS**

There were no capital commitments at 31 March 2021.

## **18. PROVISION**

At 31 March 2021, following a review by Management, and in accordance with Accounting Standards, there were £nil provisions (2020: £210k).

## **19. CONTINGENT LIABILITIES**

In accordance with FRS 102 St Anne's recognises contingent liabilities where management (and their legal representatives) has assessed the potential liability as being possible (and would make a provision where such claims have been assessed as being probable). At the year-end there are a variety of claims which management have assessed as meeting the threshold of possible but have not been assessed as probable (and therefore no provision has been made). Estimates for any liability range from £nil to £950k.

## 20. LEASING COMMITMENTS

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

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring:				
In one year or less	290	136	143	162
Between one and five years	26	197	36	252
	<b>316</b>	<b>333</b>	<b>179</b>	<b>414</b>

## **21. PENSIONS**

The organisation utilises four pension schemes: Scottish Widows, Peoples Pension, West Yorkshire Pension Fund and the National Health Service (NHS) Pension scheme. The West Yorkshire Pension Fund is a defined benefit scheme. Membership of the West Yorkshire Pension Fund was closed to new employees with effect from 31 March 2012. We have a number of TUPE staff who are members of the NHS Pension Scheme.

### **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 £175k (2020: £295k). 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](http://www.nhspa.gov.uk).

### **The People's Pension auto enrolment pension scheme**

Contributions were made at 3% during 2020-21. The total payments to The People's Pension auto enrolment pension scheme during the period were £18k (2020: £10k).

### **Scottish Widow auto enrolment pension scheme**

Contributions were made at 3% and 7% (7% for the small number of members of the Scottish Widow Group Personal Pension that preceded the auto enrolment scheme). The total payments to the Scottish Widow auto enrolment pension scheme during the period were £515k (2020: £614k).

### **West Yorkshire Pension Fund**

The West Yorkshire Pension Fund (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.

### **Contributions**

The employers' regular contributions to the WYPF by St Anne's for the year ended 31 March 2020 at 37.6% of pensionable pay were £2,068k (2020: £1,475k). The employers' contribution rate has been fixed at 37.6% of pensionable pay for the year ending 31 March 2020. Employees' contribution rates have been fixed at rates between 5.5% and 8.5% dependent on salary levels.

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

During the financial year 2021/22 the vast majority of the active membership of the scheme will be removed from the WYPF and transferred to the Scottish Widows scheme, this will therefore have a significant reduction in the contributions in the 2021/22 financial year.

### **Assumptions**

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

	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>
Rate of increase in salaries	2.95	2.15	2.00	1.60
Rate of increase in pensions in payment	2.7	1.9	2.1	2.1
Discount rate	2.1	2.3	2.5	2.6
Inflation assumption - RPI	-	-	3.2	3.2
Inflation assumption - CPI	2.7	1.9	2.1	2.1

### Mortality assumptions

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:

	2021	2020
	% per annum	% per annum
<b>Retiring today:</b>		
Males	21.9	21.8
Females	24.7	24.6
<b>Retiring in 20 years:</b>		
Males	22.6	22.5
Females	25.8	25.7

### Amounts recognised in the Statement of financial position

	2021	2020
	£'000	£'000
Present value of funded obligations	(118,784)	(95,054)
Fair value of plan assets	98,417	79,630
<b>Net pension liability</b>	<b>(20,367)</b>	<b>(15,424)</b>

### Amounts recognised in surplus or deficit

	2021	2020
	£'000	£'000
Current service cost	1,785	1,969
Past service cost	-	-
<b>Amounts charged to operating costs</b>	<b>1,785</b>	<b>1,969</b>
Interest on net defined benefit liability	316	148
<b>Amounts charged to other finance costs</b>	<b>316</b>	<b>148</b>

### Amounts recognised in other comprehensive income

	2021	2020
	£'000	£'000
Actuarial (losses)/gains on liabilities	(21,851)	915
Actuarial gain on assets	16,692	(9,021)
<b>Net amount recognised in other comprehensive income</b>	<b>(5,159)</b>	<b>(8,106)</b>

**Changes in present value of defined benefit obligations:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	95,054	94,144
Current service cost	1,785	1,969
Past service cost	-	-
Interest cost	2,163	2,323
Actuarial losses/(gains) on liabilities	21,851	(915)
Benefits/transfers paid	(2,397)	(2,804)
Member contributions	328	337
<b>Closing defined benefit obligation</b>	<b>118,784</b>	<b>95,054</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of assets	79,630	87,465
Interest income on scheme assets	1,847	2,175
Actuarial gains on assets	16,692	(9,021)
Contributions by employer	2,317	1,478
Member contributions	328	337
Net benefits paid	(2,397)	(2,804)
<b>Closing defined benefit obligation</b>	<b>98,417</b>	<b>79,630</b>

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

	<b>2021</b>	<b>2020</b>
Equities	78.9%	77.5%
Property	4.0%	4.5%
Government Bonds	9.0%	9.6%
Corporate Bonds	4.8%	5.1%
Cash	1.3%	1.9%
Other	2.0%	1.4%
	<b>100.0%</b>	<b>100.0%</b>

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Actual return on plan assets</b>	<b>18,010</b>	<b>(6,846)</b>

### **Admission Agreement for admission to West Yorkshire Pension Fund**

In connection with a contract between City of Bradford Metropolitan Council and the organisation, 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. Following the scheme valuation as at 31 March 2013, employer contributions of £11k were required for the year ending 31 March 2021.

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.

### **The McCloud judgement**

In December 2018, the Court of Appeal ruled that the transitional protection offered to some members of public sector pension schemes as part of reforms to those schemes amounted to unlawful discrimination, as a result an allowance should be made for the McCloud Judgement in accounts, however the allowance is highly dependent on the salary increase assumption. As the assumed rate of CPI for St Anne's salary increases is less than CPI, McCloud will not have an impact and no allowance is therefore included in these financial statements.

## 22. RELATED PARTY TRANSACTIONS

The organisation paid £22k (2020: £65k) on behalf of St Anne's Trading Ltd (see note 10). St Anne's Trading made a Gift Aid Distribution of profits to St Anne's Community Services of £42k (2020: £nil). There were no other related party transactions in the year. The amount due from St Anne's Trading Ltd to St Anne's Community Services at the year end was £29k (2020: £7k).

## 23. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2021 £'000	2020 £'000
<b>Financial Assets at amortised cost</b>		
Rent and Service Charges receivable	371	1,281
Invoiced Debtors	1,710	1,716
Other debtors	230	497
Accrued Income	163	908
	<b>2,474</b>	<b>4,402</b>
<b>Financial liabilities at amortised cost</b>		
Trade creditors	1,530	1,062
Other creditors	604	522
Deferred income - revenue grant	242	304
Deferred capital grant	245	236
Accruals and deferred income	2,004	1,171
Other taxation and social security	1,006	444
Pension contributions	279	277
	<b>5,910</b>	<b>4,016</b>