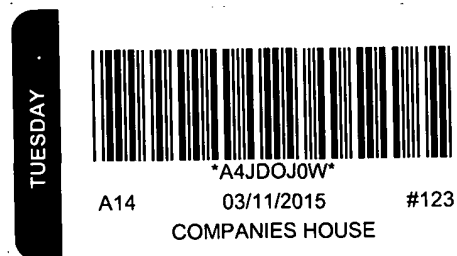


COMPANY NO: 1089026
CHARITY NO: 502224
HCA NO: H3158

St Anne's Community Services

Report and financial statements

Year ended 31 March 2015



ST ANNE'S COMMUNITY SERVICES

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ST ANNE'S COMMUNITY SERVICES

COMPANY INFORMATION

Board – At 31 March 2015

Mrs A Legg (Chairman)
Mr T Moran
Mr P Brown
Mr B Craven
Mr S Durham
Ms R Farren
Mrs S Frier
Mr M Ludlum
Mr I McIntosh
Ms S Nazir
Ms C Outram
Mr P Shillito
Mr J Tait

Senior Management Team- At 31 March 2015

Chief Executive
Finance Director and Deputy Chief Executive

Mrs J Robinson
Mrs J A Micklethwaite

Director of Governance and Company Secretary
Director of Workforce Development and Communication
Director of Operations

Mr H J Baczkowski
Mrs S Carr
Mrs K Newsome

Registered office:

6 St Mark's Avenue
Leeds
LS2 9BN

Registered number:

1089026

Charity Commission:

502224

Homes and Communities Agency

H3158

Auditors:

Grant Thornton UK LLP
No1 Whitehall Riverside
Leeds
LS1 4BN

Bankers:

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Solicitors:

DWF LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DY

ST ANNE'S COMMUNITY SERVICES

REPORT OF THE CHIEF EXECUTIVE

In introducing this report it has been pleasing to reflect back on the many fantastic opportunities that 2014/15 brought to the organisation.

The last twelve months has again been a successful year as the organisation has continued to grow and develop. In particular, the number of individuals supported by our floating support services in York, Leeds and Easingwold has increased. Pleasingly, upon retender, we retained our Short Breaks service in Barnsley. We have had success in Leeds as our Drug and Alcohol services will become part of a new focus for the city as we become an integral part of Forward Leeds. In service re shaping, two services stand out. A complete redesign of our Chapeltown Road service enabled us to now provide high quality individual tenancies to younger adults. A successful bid to Public Health England has enabled us to further develop our residential Alcohol services thereby enhancing the success of our rehabilitation services.

There have been so many highlights over the past year, particularly as our client involvement networks have grown. The Dignity events which were held in February were fantastic and it was the energy and enthusiasm that many teams put into organising these events, both internally and linking with the wider community, which made them such a success.

The Spring months saw the launch of our new six year Organisational Strategy 'Making a difference every day'. This document clearly lays out how, as we head for 2020 we will achieve our vision of being 'the most innovative and creative provider of care support and housing in the North of England'.

We have again been at the forefront of innovation with a number of projects receiving national recognition. The research project carried out with Huddersfield University, "Our minds our Histories" is just one example and the End of Life project led by Oxfield Court nursing service in Huddersfield is another fantastic example of what is a pioneering piece of work covering the key practices for health when addressing the needs of individuals with learning disabilities.

Conclusion

As we move into the new financial year and the second year of new our strategy, we know the coming year will bring new opportunities for the whole organisation as we aspire to be the most innovative and creative provider of care, support and housing in the North of England. We are also ready for the challenges which undoubtedly lie ahead. We will, with the strength, commitment and compassion of all our staff and volunteers, strive to enable the organisation to grow and flourish as we continue to adapt to individual needs by providing support services which truly promote dignity, independence, opportunity and inclusion for all.

Julie Robinson
Chief Executive – Year to 31 March 2015



Simon Harrison
Interim Chief Executive from May 2015
(pending appointment of permanent Chief Executive)



ST ANNE'S COMMUNITY SERVICES

STRATEGIC REPORT

The Board presents its report together with financial statements for the year ended 31 March 2015.

Principal activities

St Anne's is registered as a charity, a company limited by guarantee and a housing association and is principally engaged in providing accommodation, working with single homeless people and people with special housing needs. The Association has a subsidiary, St Anne's Trading Limited, whose principal activities are the provision of training.

Current services include:

- Housing with support – long and short term
- Supported living and domiciliary care services
- Residential care, including nursing care and specialist alcohol detoxification and rehabilitation
- Respite care
- Day services
- Community mental health and substance use services

Business review

The small increase in turnover, (1.6%) reflects a year of consolidation following 2013-14 when new services were opened in Gateshead, Doncaster and Easingwold.

We continued to work constructively with commissioners to grow existing services and are pleased to retain services that were put out to tender during the year.

We again experienced funding cuts to some of our services. For other services, the rates paid remained at the same level as four or five years ago. Wherever possible, initiatives have been put in place to ensure that funding cuts are met by continued efficiencies. When considering the implementation of efficiency measures, we are careful to assess the impact on the quality of our services and whether or not they will pose additional risks to clients and staff.

The Association's income and expenditure account and balance sheet for the year ended 31 March 2015 and the previous five years, are summarised in the following table:

For the year ended 31 March	2015	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Income and Expenditure account						
Turnover	40,853	40,208	36,396	34,182	33,455	33,041
Operating (deficit)/ surplus (before FRS 17 Adjustments)	(195)	(448)	(62)	1,541	1,117	737
Surplus on sale of fixed asset investment	18	14	-	15	27	-
Surplus on sale of freehold housing property	12	105	-	-	-	-
Exceptional items	11	27	65	164	104	-
Interest receivable and similar income	74	99	92	160	179	163
FRS 17 Adjustments	1,131	250	99	593	(1,650)	(602)
Surplus/ (deficit) for the year	1,051	47	195	2,473	(223)	298

STRATEGIC REPORT (CONTINUED)

For the year ended 31 March	2015	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Balance sheet						
Tangible fixed assets	2,775	2,646	2,638	2,527	2,514	2,740
Fixed asset investments	4,512	4,339	4,823	4,806	4,710	4,367
Net current assets	7,600	8,041	7,689	7,721	5,951	4,879
Total assets less current liabilities	14,887	15,026	15,150	15,054	13,175	11,986
Loans due (over 1 year)	1	1	2	2	3	3
Recycled capital grant fund	-	59	-	-	-	-
Net Pension liability	12,521	8,718	14,146	14,579	7,385	24,013
Reserves: General Charity Fund	152	136	130	130	115	103
Investment revaluation	3	27	7	6	7	352
Designated	2,712	2,712	2,712	2,711	2,709	2,703
Revenue	12,019	12,091	12,299	12,205	10,341	8,825
FRS 17 pension liability	(12,521)	(8,718)	(14,146)	(14,579)	(7,385)	(24,013)
	14,887	15,026	15,150	15,054	13,175	11,986

The operating deficit of £195,000 (2014: £448,000) is before FRS 17 pension adjustments but after paying a lump sum of £600,000 (2014: £970,000) to the West Yorkshire Pension Fund with the intention of helping to reduce our share of the scheme deficit. The operating surplus post FRS 17 operating adjustments, is £92,000 (2014: Deficit: £669,000). The overall surplus for the year, after taking into account further FRS17 adjustments of £981,000 (2014: £471,000) is £1,192,000 (2014: £47,000).

Objectives and strategy

The year ended 31 March 2015 was the first year covered by our five year Strategic Plan 2014 - 2020. Our restated vision statement is a summary of what St Anne's is aspiring to be in the future and is "To be the most innovative and creative provider of care, support and housing in the North of England".

Our mission statement describes what our role is now and is "To support individuals to achieve their aspirations by providing support and services which promote dignity, independence, opportunity and inclusion".

St Anne's work is founded on five core principles which underpin everything we do.

1. We ensure the individuals we support are always at the centre of everything we do by actively listening, responding to, and involving people.
2. We provide and can demonstrate that services are of the highest quality.
3. We can learn together by sharing, celebrating and promoting good practice across the whole organisation.
4. We recruit, motivate and develop a highly competent and compassionate workforce. That we provide financial efficiency and value for money.
5. We ensure St Anne's is financially sound and delivering value for money.

Based upon the organisation's core principles, we have established a set of strategic aims for 2014 - 2020, which we are using to direct future developments and to measure ourselves against to ensure we are moving towards the achievement of our vision.

1. To provide high quality, personalised services which deliver measurable outcomes and positive experiences for clients.
2. To develop and sustain existing services, whilst seeking out opportunities for growth and development of new services.
3. To be an employer of choice, attracting, recruiting, retaining and developing a high quality workforce.
4. To demonstrate efficiency and value for money in all our activities.
5. To continue to strive to be a diverse and inclusive organisation.

Underpinning the Organisational Strategy is a Business Plan for each year of the strategy which defines objectives. The achievement of objectives is monitored by the Senior Management Team and the Board on a regular basis.

STRATEGIC REPORT (CONTINUED)

Some of the key achievements in 2014 – 2015 are shown below.

Quality and Engagement

- We have revised the Whistleblowing procedures.
- We have carried out a full review of governance arrangements and identified and agreed upon a number of actions designed to enhance Board governance practice.
- We have enhanced our systems for the monthly audit of services and the collection and review of data to ensure services are meeting required standards.
- We have carried out a full review of our safeguarding policies and procedures. Six-monthly safeguarding discussions take place in all teams and mechanisms are in place for the sharing of good practice.

Sustainment and Growth

- We have retained substance services in Leeds and the Barnsley Respite Service following success in tenders.
- We have continued to expand our Supported Living and Domiciliary Care services in Leeds, Bradford and York.
- We have remodelled a Supported Housing property from shared accommodation to self contained flats and bedsits to meet the needs of four clients with Learning Disabilities.
- We have developed a Transitions Service for young people with Learning Disabilities.
- Funding secured through a successful bid to Public Health England has enabled us to expand our Alcohol Rehabilitation service in Leeds.

Efficiency and Value for Money (VFM)

- We have continued to respond pro actively to the funding cuts and "stand still" budgets which have affected all our services.
- We have continued to monitor our spending on goods and services to ensure we are receiving best value.
- We have commissioned a stock condition survey. This should enable us to be more efficient in the way we plan works to ensure that our stock is fit for purpose.
- We have commenced a review of our terms and conditions of employment to ensure they are fair and competitive.

Further details of VFM achievements are included in the Directors Report.

Staff and Diversity

- We signed up to the "Time to Change" pledge and marked this with the launch of a booklet containing peoples' stories and experiences of mental health conditions.
- We reviewed our interview questions and tests to ensure that they are effective in measuring values and attitudes.
- We have made good use of the Sector Based Work Academies to help alleviate recruitment problems resulting from the improved economy.
- We have reviewed the delivery of learning and development to ensure resources are used as effectively as possible and provide more bespoke, flexible training to meet service and client need.

Risks and uncertainties

St Anne's has established policies and procedures, monitoring processes and planning structures which aim to ensure risks are identified and the required controls are managed consistently and effectively. As part of its annual performance review the Board is required to review and formally approve St Anne's Risk Management Policy on an annual basis. It also receives six monthly performance reports.

St Anne's risk register is a compilation of the of the key strategic risks which could impact on the well-being of the organisation as a whole if they were to crystallise. A formal review of the contents of the risk register is carried out by the Senior Management Team on a quarterly basis. Part of our process also includes consultation with staff teams about risk issues. Feedback is invited on any gaps in our approach or ideas for dealing with risks.

Once risks have been identified, a judgement is made on the likelihood of the risk becoming material and the likely severity of its impact on the organisation should that risk materialise. The organisation then identifies

STRATEGIC REPORT (CONTINUED)

control measures needed to manage the defined risks. Once the control measures are in place an assessment is carried out on the residual risk. The risk register also identifies how the control measures are monitored and the responsibility for doing so.


Based on probability and impact, our current risk register identifies the following risks as high.

Risk	Action being taken
<p>Current economic climate and impact on public sector funds. The continued restraints on government spending continue to impact upon the organisation. Many of the authorities with which we work seek to make the savings required of them by reducing the commissioned service or the amount they are prepared to pay for it. Even where there are no actual cuts, "stand still" funding arrangements combined with unavoidable increases in costs affect the viability of services.</p> <p>Block contracts are gradually being replaced by individual contracts. The impact of this is that as soon as a vacancy arises in one of our services, funding is reduced by an amount which, because of staffing requirements, is difficult to recoup.</p>	<ul style="list-style-type: none"> • Keep unions and staff aware of the financial situation • Regular review of budget reports with managers responsible for services • Regular contact with purchasing authorities to stay aware of current and future purchasing plans • Development of strategies with purchasers for changing services with a planned transition • Maximising income by taking timely action on voids • Reviewing our cost base to make savings where possible • Development of exit plans for high risk services to cover eventuality that they become completely sustainable.
<p>Deficit on final salary pension scheme There is a significant deficit on St Anne's share of the West Yorkshire Pension Fund. There is a risk that the organisation will not be able to afford the increased contributions required by the Fund.</p>	<ul style="list-style-type: none"> • The WYPF has already been closed to new members • Discussions with administrators of WYPF on affordability of proposed increases • Discussion with local authorities on possible "adoption" of St Anne's • Maintaining reserves at a level that will fund payment of deficit if necessary.
<p>Morale and well-being of staff being adversely affected by inability to afford pay award Funding cuts have meant that the organisation has not been in a position to make a substantive pay award to staff for a number of years. Indications are that the funding position is unlikely to improve in the immediate future.</p>	<ul style="list-style-type: none"> • Keep unions and staff aware of financial situation emphasising our wish to make a pay award but also the financial position needed to enable us to do so. • Negotiate funding uplifts wherever possible • Robust management of all budget areas • Robust management of sickness absence
<p>Loss of current contracts Recent indications are that when contracts are put out to tender there is an expectation from funders that they will get the same service for a lower cost.</p> <p>We are aware that there are competitor organisations offering an overall less generous reward package to their staff who could win services from us based on price alone.</p>	<ul style="list-style-type: none"> • Maintain strong budgetary management and control • Benchmark our terms & conditions against those of organisations providing similar services • Review staff terms and conditions and remuneration package • Maintain good working relationships with our funders • Emphasise stability and quality when our services are retendered.

The strategic report was approved by the Board on 29 July 2015 and signed on its behalf by

Mrs A Legg  Chairman

Mr T Moran  Deputy Chairman

Mr H J Baczkowski  Secretary

ST ANNE'S COMMUNITY SERVICES

REPORT OF THE BOARD

The Board presents its report together with financial statements for the year ended 31 March 2015.

Principal activities

St Anne's is registered as a charity, a company and a housing association and is principally engaged in providing accommodation, working with single homeless people and people with special housing needs. The Association has a subsidiary, St Anne's Trading Limited, whose principal activities are the provision of training.

Business review

A review of the year's activities and future prospects is given in the Strategic Review

The Association generated a surplus of £1,051,000 (2014: surplus £47,000) during the year. After transfers to designated reserves and the General Charity Fund, an amount £1,059,000 (2014: £42,000) has been transferred to the revenue reserve.

Board members

The Board members at the end of the year are listed below.

Members

Mrs A Legg (Chairman) **
Mr T Moran (Deputy Chairman) * **
Mr P Brown *
Mr B Craven
Mr S Durham **
Ms R Farren
Mrs S Frier *
Mr M Ludlum
Mr I McIntosh *
Ms S Nazir
Ms C Outram
Mr P Shillito
Mr J Tait **

Ms R Farren was appointed to the Board on 25 March 2015.

Mr A Akbar and Ms L Jackson resigned from the Board on 26 November 2014 and Miss H Symes resigned on 4 December 2014.

* - denotes a member of the Audit Committee.

** - denotes a member of the Remuneration Committee

NCVO Code of Governance

We are pleased to report that the Association complies with the principal recommendations of the NCVO's Code for the Voluntary and Community Sector.

Board

The Association's Board is limited to 20 members including co-optees.

The Board has introduced processes for annual appraisal of its own performance, both in a collective and an individual basis. In line with NCVO's recommendations it will continue to review its membership to ensure that the number of members is consistent with effective decision making.

The Board is responsible for the Association's strategy and policy framework. The day to day implementation of that policy is delegated to the Chief Executive and the other members of the Senior Management team who meet bi-weekly.

REPORT OF THE BOARD (CONTINUED)

Recruitment of Board Members

The Association seeks to recruit Board members from as wide a range of backgrounds as possible and with a view to securing all the skills appropriate to the management of an organisation of this size and type. The Association has used and will continue to use external advertisements with a view to identifying a wider range of potential Board members.

Committees

The Board has an Audit Committee and a Remuneration Committee.

The Audit Committee consists of five members of whom at least two are members of the Board. The Committee meets at least three times a year and considers the appointment of internal and external auditors, the scope of their work and their reports. It also reports to the Board on the effectiveness of the Association's internal control arrangements.

The Remuneration Committee consists of four members of the Board and meets at least once a year. The Committee determines the pay and conditions of service of the Chief Executive and other members of the Senior Management Team and considers annually whether and at what level a cost of living pay award should be made to them.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies to all organisations within the group.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the group is ongoing, has been in place throughout the period commencing 1 April 2014 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

1. Identifying and evaluating key risks

The Association's risk management policy sets out arrangements in place for identifying, evaluating and controlling significant risk. The structure of risk management responsibilities included in the policy aims to ensure that all parts and all levels of the organisation are included in the risk management process.

2. Control environment and internal controls

The processes to identify and manage the key risks to which the Association is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include strategic planning, the recruitment of senior staff, regular performance monitoring, control over developments, raising risk awareness and monitoring Health and Safety practice and performance.

3. Information and reporting systems

The budget for the year ahead is reviewed and approved by the Board prior to the start of the new financial year. Performance against budget is monitored throughout the year by the Board. Reports at least twice in each financial year enable the Board to monitor the treasury management operation and the exercise of delegated treasury management powers.

4. Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. Independent assurance is provided by internal audit to the Board, via the Audit Committee.

A fraud register is maintained. Any fraudulent incidences are reported to the Board.

ST ANNE'S COMMUNITY SERVICES

REPORT OF THE BOARD (CONTINUED)

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit Committee to regularly review the effectiveness of the system of internal control. The Board receives reports from the Audit Committee together with minutes of Audit Committee meetings.

The Board has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Association and its subsidiaries, and the annual report of the internal auditor, and has reported its findings to the Board.

Board responsibilities for the financial statements

The Board is responsible for preparing the Strategic Report, Report of the Board and financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period.

In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Value for money statement

The current operating environment which has been impacted by the government's austerity measures and drive to bring down public spending, continues to be very challenging. We have again been required to manage contracts with, at the best, stand still funding arrangements. Increased costs resulting in the main from legislative changes have made this particularly challenging.

Whilst recognising the need to make savings in financial terms we continue to focus on the need to improve or maintain the quality of our services and put clients at the centre of everything we do.

The overall aim of St Anne's Value for Money (VFM) strategy 2014-2020 which is linked to St Anne's Strategic Plan for the same period, is to obtain the maximum benefit with the resources we have available. We aim to do this by achieving the right balance between economy, efficiency and effectiveness.

Strategic aim 4 of our plan – To demonstrate efficiency and value for money in all our activities - sets out key areas of focus for delivering VFM.

We will continue to strive to ensure greater efficiency in service delivery and be able to demonstrate VFM by:

- Setting and monitoring efficiency targets through the use of the High Impact Delivery Plan
- Increasing the use of technology in all areas to maximise the independence of the individuals we support and make efficiencies cross the business
- Maximising income by improving void performance
- Improving attendance levels across the organisation
- Reducing the use of agency staff

REPORT OF THE BOARD (CONTINUED)

- Creating more opportunities for clients to get involved at a strategic and operational level to influence the management, design and delivery of services
- Developing skills on getting real time feedback from clients
- Carrying out a professional reassessment of housing stock to ensure that it is fit for the future and developing a 10 year improvement programme.
- Completing a review of central service departments
- Carrying out a review of staff terms and conditions and remuneration packages

We will ensure VFM through effective procurement by:

- Continuing the rolling programme of reviewing major contracts
- Reviewing the approved list of contractors and consultants
- Reviewing authority levels for procurement as set out in the organisation's standing orders
- Capturing procurement savings made.

Specific VFM actions are included each year as Annual Business Plan priorities. VFM priorities set for 2014/15 and our self-assessment of how we have done in meeting these objectives is set out below:

2014/15 Priorities	Assessment of achievement
To commission a stock condition survey	<p>Following a competitive tender process, a professional review of all our housing stock was commissioned and work commenced in March 2015</p> <p>The results of the survey will be used during 2015/16:</p> <ul style="list-style-type: none"> • To assess whether our properties remain fit for the future and continue to meet the needs of our clients • To draw up a 10 year stock improvement plan.
To identify areas which have the highest impact on financial efficiency and draw up action plans to address them.	<p>The review carried out identified a number of areas to be addressed in order to improve financial efficiency.</p> <p>1. Services operating at a deficit</p> <p>As highlighted in the Business Review we have continued to experience funding cuts to some of our services with rates paid in others remaining at the same levels as several years ago. Wherever possible initiatives have been put in place to ensure that funding cuts are met by continued efficiencies.</p> <p>Despite actions taken, a number of services continue to operate at a deficit. A review of these by the Board has informed an action plan for 2015/16 to address continuing issues.</p> <p>2. The use of agency staff</p> <p>Improved processes have been put in place for approval of the use of agency staff. Whilst acknowledging that its use cannot be completely eradicated, we identified the main reasons for the use of agencies and have worked hard on trying to improve efficiency in these areas.</p> <p>The amount spent on agency cover in 2014/15 showed a 15% reduction compared with the amount spent in 2013/14.</p>

	<p>A number of factors have contributed to this reduction including improved rota management, a significant reduction in the time taken to process final offers of employment and a small reduction in sickness absence rates.</p> <p>A KPI was set for all final offers to be processed within 8 weeks. In 2013/14 this was achieved in 96.3% of cases with an average of 5.9 weeks. In 2014/15 the target was achieved in 100% of cases with an average of 3.29 weeks.</p> <p>Sickness absence reduced from an average of 11.57 days per person per year at December 2013 to 11.28 days at March 2015.</p> <p>Revisions were made to attendance management procedures and caps were introduced to sickness entitlement.</p> <p>When benchmarked against average figures for not for profit Care Services for 2014 St Anne's is slightly above the average of 10.3 days.</p> <p>The 2014 People Count survey showed that for organisations in our sector of over 1000 staff, absence levels were on average 11.6 days per person.</p> <p>This is an area we will continue to address during 2015/16.</p> <p>3. Loss of income through voids</p> <p>During 2014/15 void reporting and management processes were enhanced.</p> <p>In our registered care homes and nursing homes we are somewhat dependent on suitable referrals from the commissioners of our services to fill vacancies. Managers are required to report regularly on actions being taken to fill voids.</p> <p>There are now clear protocols in place for reporting and managing voids in supported housing services, including ensuring that KPIs for the turnaround for letting are being met.</p>
To streamline and speed up disciplinary processes and suspensions.	<p>A significant percentage of the amount spent on agency staff relates to the cover required when staff are suspended from work. Changes were introduced in 2012 to try to minimise lost time and the cost of agency cover resulting from suspensions. A further review in 2014/15 of the costs of suspensions identified the need for a full review of our disciplinary processes. This will be completed in 2015/16.</p>
To complete a full value for money review of the IT contract and the internal IT service	<p>The decision has been taken to extend the initial contract with our IT provider for a further year and carry out this full review during 2015/16.</p>

ST ANNE'S COMMUNITY SERVICES

	<p>This will include a repeat satisfaction survey of staff on the perceived value and effectiveness of the current IT service and provision.</p> <p>The survey carried out in July 2014 showed reasonable levels of satisfaction in most parts of the organisation with the service being provided.</p>
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In addition to the specific priorities identified for 2014/15, we have continued to develop various initiatives referred to last year:

- Following the external VFM review of our maintenance service and changes to the management structure, we have continued to make changes to the way the service is delivered. Changes allow the repairs process to be better planned and therefore more efficient. There is more emphasis on pre inspections to ensure work is correctly specified and post inspections to improve quality control. The use of trackers and smart phones has enabled productivity to be better monitored.

Greater use is being made of the Pyramid computer system to record and monitor maintenance activity and a range of KPIs is being developed. In the year to 31 March 2015, 95% of repairs were completed within target response times.

It is important for our future viability that our properties are well maintained and our clients have a right to expect that their homes are maintained to a high standard. Funding constraints make it imperative that we use the resources we have available as efficiently as possible.

- The Rent Collection and Arrears Recovery Policy which was updated in 2014, has formalised procedures to be followed when tenants fall into arrears. This has helped ensure that write offs remain at a very low level. As a percentage of the gross rental charge, write offs for 2014/15 were only 0.5%

Procurement initiatives during the year included:

- Renegotiation of our mobile phone contract enabling us, within the same cost envelope, to improve communications with staff by providing smart phones and provide a subsidy of £49,000 towards phone bills.
- Renegotiating energy contracts
- Achieving a 5% reduction on a major insurance policy at the end of a long term agreement. The 20% increase being sought by insurers resulted in a 5% saving following their review of our Health & Safety Risk procedures.

Processes are in place to ensure that the Board (which includes client Board members) and staff, understand the cost of delivering specific services. These include:

- Detailed annual budgets prepared for each service
- Monthly reports comparing actual income and expenditure for each service and a requirement for managers to carry out monthly variance reporting
- Full quarterly accounts prepared with the same level of accuracy as the year end accounts with a detailed report to the Board on performance against budget.

Because of the specialist nature of St Anne's services, many of the traditional performance indicators are not relevant to St Anne's. We will, however, continue to explore benchmarking options

VFM is about understanding our costs but is also about understanding how costs relate to our performance and customer satisfaction. St Anne's Quality Assurance Policy which should be read in conjunction with the Risk Management Policy, the Governance Framework and the monthly audit and compliance policy, describes the external standards to which the organisation will work. Appropriate measures are used to indicate the levels of quality attained, how well we achieve the outcomes our clients want and continuous service improvement.

ST ANNE'S COMMUNITY SERVICES

REPORT OF THE BOARD (CONTINUED)

The 2014 survey, carried out by way of questionnaire, asked clients, relatives and stakeholders if they trusted St Anne's, if they were happy with the service provided and if they felt that St Anne's provided a "safe" service. The Feedback from each of the client, relative and stakeholder groups showed satisfaction levels of 95%. This level of

satisfaction is similar to that achieved in the previous year. However, 46% of clients, 51% of relatives and 46% of stakeholders felt that the service received had improved.

A new dynamic way of gauging satisfaction with our services is currently being piloted. The Real Time Feedback is designed to supplement the annual survey and includes exit questionnaires, face to face interviews and "mystery shopping"

Following investment last year in a post to support the implementation of St Anne's Client Involvement and Empowerment Strategy a number of initiatives have been developed with the intention of getting clients more involved with the running of the organisation on both a strategic and operational level.

Regular reports continue to be made to the Board to provide assurance that care, support and housing services are being provided efficiently and to a high standard.

Going concern

After making enquiries the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements.

Annual General Meeting

The annual general meeting will be held on 25 November 2015 at the registered office.

Employee involvement

The Association has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Association.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue.

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Tax status

The Association is a registered charity and consequently has no liability to taxation.

Disclosure of information to auditors

At the date of making this report, each of the Association's Board members, as set out on page 7, confirms the following:-

- so far as each Board member is aware, there is no relevant information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware; and
- each Board member has taken all the steps that he ought to have taken as a Board member in order to make themselves aware of any relevant audit information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information.

In preparing this Board report, the Board has followed the principles set out in the SORP 2010.

ST ANNE'S COMMUNITY SERVICES

REPORT OF THE BOARD (CONTINUED)

Auditors

Grant Thornton UK LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'H.J. Baczkowski', is written over the printed name.

Mr H J Baczkowski
Secretary
29 July 2015

ST ANNE'S COMMUNITY SERVICES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST ANNE'S COMMUNITY SERVICES

We have audited the financial statements of St Anne's Community Services for the year ended 31 March 2015 which comprise the balance sheet, the income and expenditure account, the cash flow statement, the statement of total recognised surpluses and deficits, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Chief Executive, Strategic Report and Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graham Nunns
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Date: 18th September 2015

ST ANNE'S COMMUNITY SERVICES

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2015


	Note	2015 £'000	2014 £'000
Turnover: continuing activities	2	40,853	40,208
Operating costs	2	(40,898)	(40,877)
Operating deficit: continuing activities	2&8	(45)	(669)
Surplus on sale of freehold housing property	5	12	105
Surplus on sale of fixed asset investment	6	18	14
Release of provision made to reduce bank deposit to its estimated realisable value	11	11	27
Interest receivable and similar income	7	74	99
Other finance interest	28	981	471
Surplus for the financial year		1,051	47

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS for the year ended 31 March 2015


	2015 £'000	2014 £'000
Surplus for the financial year	1,051	47
Surplus on revaluation of investments	-	20
Actuarial (loss)/ gain relating to pension scheme	(4,934)	5,178
Total recognised (deficits)/ surpluses relating to the financial year	(3,883)	5,245

The notes on pages 19 to 36 form part of these financial statements.

The financial statements were approved by the Board on 29 July 2015 and signed on its behalf by:

Mrs A Legg  Chairman

Mr T Moran  Deputy Chairman

Mr H J Baczkowski  Secretary

ST ANNE'S COMMUNITY SERVICES

BALANCE SHEET at 31 March 2015

	Note	2015 £'000	2014 £'000
Tangible fixed assets			
Housing properties			
Gross cost less depreciation		15,804	16,261
Less: Social housing and other government grants		(14,132)	(14,674)
		1,672	1,587
Other tangible fixed assets		1,103	1,059
	9	2,775	2,646
Fixed asset investments	10	4,512	4,339
		7,287	6,985
Current assets			
Debtors	11	4,464	4,656
Investments	12	3,897	5,383
Cash at bank and in hand		4,237	2,535
		12,598	12,574
Creditors: amounts falling due within one year	13	(4,998)	(4,533)
Net current assets		7,600	8,041
Total assets less current liabilities		14,887	15,026
Creditors: amounts due after more than one year	14	1	60
Net pension liability	28	12,521	8,718
Capital and reserves			
General charity fund	17	152	136
Investment revaluation reserve	18	3	27
Designated reserves	19	2,712	2,712
Revenue reserve	20	(502)	3,373
Association Funds		2,365	6,248
		14,887	15,026

The notes on pages 19 to 36 form part of these financial statements.

The financial statements were approved by the Board on 29 July 2015 and signed on its behalf by:

Mrs A Legg

Am. Legg

Chairman

Mr T Moran

T Moran

Deputy Chairman

Mr H J Baczkowski

H J Baczkowski

Secretary

Company number: 1089026

ST ANNE'S COMMUNITY SERVICES

**CASH FLOW STATEMENT
at 31 March 2015**

	Note	2015	2014
		£'000	£'000
Net cash inflow/(outflow) from operating activities	22	<u>835</u>	<u>(1,486)</u>
Returns on investments and servicing of finance			
Interest received and similar income		<u>94</u>	<u>96</u>
		<u>94</u>	<u>96</u>
Capital expenditure and financial investment			
Acquisition and construction of housing properties		(260)	(77)
Purchase of other tangible fixed assets		(513)	(325)
Purchase of fixed asset investment		(1,508)	-
Capital grants received		140	4
Sale of freehold housing property		76	166
Sale of fixed asset investment		<u>1,352</u>	<u>514</u>
		<u>(713)</u>	<u>282</u>
Financing activities			
Repayment of loans		<u>-</u>	<u>(1)</u>
Increase/(decrease) in cash and current asset investments	23	<u>216</u>	<u>(1,109)</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

1. ACCOUNTING POLICIES

Legal status

The Association is registered under the Companies Act 2006 and is registered with the Homes and Communities Agency (HCA) as a social landlord.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2010 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2012.

The financial statements are prepared on the historical cost basis of accounting.

Turnover and revenue recognition

Turnover comprises rental income receivable, fees and grants from central and local government and the proceeds of fund raising activities. Revenue grants are recognised when the conditions for receipt of grant funding have been met. Charges for support services are recognised as they fall due under the contractual arrangements with Administering Authorities.

Group financial statements

The Association 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.

Other Tangible Fixed assets and depreciation

Assets acquired before 31 March 1981

Fixed assets acquired before 31 March 1981 have not been depreciated. All capital expenditure prior to that date has been written off against appropriate central and local government grants and any shortfall has been written off to revenue in the year in which it was incurred.

Assets acquired after 31 March 1981

Tangible fixed assets, except freehold properties, are stated at cost less accumulated depreciation. Depreciation is charged by equal annual instalments over the expected useful lives of the assets. The periods generally applicable are:

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

Freehold properties

The Association 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. Where capital grant has been allocated to a component, the depreciable amount is arrived at on the basis of original cost, less the proportion of grant attributable to the component, less residual value.

The Association 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
Boilers, kitchens & bathrooms	15 years
Windows	30 years

Works to existing properties are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension to the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Impairment reviews are carried out on an annual basis in accordance with FRS 11.

Social housing grant

Social housing grant (SHG) is receivable from the HCA and is utilised to reduce the capital costs of housing properties, including land costs. SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Impairment

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating surplus.

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 total surpluses and deficits 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.

Designated reserves

Where fixed assets are financed by the Association's own reserves an amount equivalent to the cost of the fixed assets is transferred from revenue to a designated reserve financing capital expenditure.

An amount equivalent to the annual depreciation charge on such assets is transferred from designated reserves financing capital expenditure to revenue reserves.

Where as a result of management decisions taken on specific future major repairs, capital expenditure, and other projects, reserves cannot be regarded as available for general use, a transfer is made from the revenue reserve to designated reserves.

Allocation of head office expenses

Head office salaries and overhead expenses are charged to the various housing and non-housing activities of the Association on the basis of estimated time spent.

True and fair override

Under the requirements of the SORP, capital grants are shown as a deduction from the cost of housing properties on the balance sheet. This is a departure from the rules under Schedule 1 of Statutory Instrument 2008/410 but in the opinion of the Board is a relevant accounting policy, comparable to that adopted by other registered social landlords that has been adopted in order to present a true and fair view.

General Charity Fund

The General Charity Fund has been created from donations and the proceeds of fund raising activities and is available to meet expenditure within the Association's objectives for which no other finance is available.

Leased assets

All assets leased are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Pensions

The Association operates two defined benefit pension schemes for the benefit of its employees, the National Health Service Pension Scheme and the West Yorkshire Pension Fund.

For the National Health Service Pension, it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

For the West Yorkshire Pension Fund, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in the fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the income and expenditure account with any other changes in fair value of assets and liabilities being recognised in the statement of total recognised surpluses and deficits.

Supported housing managed by agencies

Social housing capital grants are claimed by the Association as developer and owner of the property and included in the balance sheet of the Association. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Association and its managing agents and on whether the Association carries the financial risk.

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

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

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS

	2015			2014		
	Turnover	Operating costs	Operating Surplus / (deficit)	Turnover	Operating costs	Operating Surplus / (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	<u>11,323</u>	<u>(10,064)</u>	<u>1,259</u>	<u>11,410</u>	<u>(10,252)</u>	<u>1,158</u>
Other social housing activities						
St Anne's Centre	204	(281)	(77)	202	(297)	(95)
Respite Services	1,903	(1,886)	17	1,868	(1,886)	(18)
Tenancy support-Supporting People	2,199	(2,433)	(234)	2,428	(2,630)	(202)
Tenancy support - Other funding	16,302	(15,882)	420	15,218	(15,179)	39
Funded projects	1,448	(1,415)	33	1,343	(1,361)	(18)
Fund raising & Publicity	27	(21)	6	29	(33)	(4)
Other	42	(1,317)	(1,275)	88	(1,210)	(1,122)
	<u>22,125</u>	<u>(23,235)</u>	<u>(1,110)</u>	<u>21,176</u>	<u>(22,596)</u>	<u>(1,420)</u>
Non-social housing activities						
Lettings	7,095	(7,439)	(344)	7,290	(7,474)	(184)
Other	310	(310)	-	332	(334)	(2)
	<u>7,405</u>	<u>(7,749)</u>	<u>(344)</u>	<u>7,622</u>	<u>(7,808)</u>	<u>(186)</u>
Total before pension adjustments	<u>40,853</u>	<u>(41,048)</u>	<u>(195)</u>	<u>40,208</u>	<u>(40,656)</u>	<u>(448)</u>
FRS17 Pension adjustments						
Pension contributions paid	-	2,079	2,079	-	2,267	2,267
Pension operating (charge) – Current service cost	-	(1,929)	(1,929)	-	(2,488)	(2,488)
Total	<u>40,853</u>	<u>(40,898)</u>	<u>(45)</u>	<u>40,208</u>	<u>(40,877)</u>	<u>(669)</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Hostels & Supported Housing	Residential Care Homes	2015 Total	2014 Total
	£'000	£'000	£'000	£'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	1,178	4,710	5,888	5,956
Service income	1,964	-	1,964	1,692
Charges for Support Services	1,854	-	1,854	1,899
Net rental income	4,996	4,710	9,706	9,547
Revenue grants	8	1,609	1,617	1,854
Other income	-	-	-	9
Turnover from social housing lettings	5,004	6,319	11,323	11,410
Expenditure on social housing lettings				
Management and care	1,254	3,221	4,475	4,546
Services	1,828	3,243	5,071	5,167
Routine maintenance	403	44	447	478
Bad debts	51	20	71	61
Operating costs on social housing lettings	3,536	6,528	10,064	10,252
Operating surplus/(deficit) on social housing lettings	1,468	(209)	1,259	1,158
Void losses	377	243	620	710

ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

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

	2015	2014
	No	No
Social housing		
Supported housing and hostels	356	352
Residential care homes	164	166
	520	518
Non-social housing		
Registered nursing homes	124	118

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

2(a) FUND RAISING AND PUBLICITY

	2015 £'000	2014 £'000
Gifts and donations received	27	29
Direct charitable expenditure	<u>(11)</u>	<u>(23)</u>
Transfer to general charity fund	<u>16</u>	<u>6</u>
Fund raising and publicity costs	<u>10</u>	<u>10</u>

3. DIRECTORS AND EMOLUMENTS

The directors of the Association are the members of the Board, the Chief Executive and other members of the Senior Management team.

	2015 £'000	2014 £'000
Emoluments of the Association's directors (salary, pension contributions and benefits in kind)	<u>357</u>	<u>355</u>
Emoluments of the highest paid director (excluding pension contributions)	<u>81</u>	<u>81</u>

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

	2015	2014
£60,001 - £70,000	4	4
£90,001 - £100,000	1	1

The Chief Executive is an ordinary member of one of the Association's pension schemes. No enhanced or special terms apply and there is no individual arrangement to which contributions are made.

The highest paid director in the year was the Chief Executive.

No emoluments were paid to members of the Board during the year.

	2015 £	2014 £
Total expenses reimbursed to the directors of the Association (not chargeable to tax)	<u>2,821</u>	<u>2,059</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

4. EMPLOYMENT INFORMATION

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

	2015	2014
	No	No
Finance and administration staff	53	50
Maintenance and development staff	8	10
Care staff	1,297	1,264
	<u>1,358</u>	<u>1,324</u>

Employee costs:

	2015 £'000	2014 £'000
Staff costs (for the above persons)		
Wages and salaries	30,160	29,833
Social security costs	1,925	1,863
Other pension costs	2,880	2,896
	<u>34,965</u>	<u>34,592</u>

Agency staff costs are included within employee costs.

5. SURPLUS ON SALE OF FREEHOLD HOUSING PROPERTY

	2015 £'000	2014 £'000
Disposal proceeds	76	166
Carrying value of asset	(5)	(2)
Capital grant recycled	(59)	(59)
	<u>12</u>	<u>105</u>

6. SURPLUS ON SALE OF FIXED ASSET INVESTMENT

	2015 £'000	2014 £'000
Disposal proceeds	852	514
Carrying value of asset	(834)	(500)
	<u>18</u>	<u>14</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Bank and building society interest receivable	74	99
	<u>74</u>	<u>99</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

8. OPERATING DEFICIT

Operating deficit is arrived at after charging:

	2015 £'000	2014 £'000
Depreciation of freehold housing property	51	53
Depreciation of other tangible fixed assets	329	331
Auditors' remuneration (excluding VAT):		
- for audit services	18	19
- for non audit services (tax compliance)	2	-
Operating leases		
- Land & buildings	63	60
- Other	304	290

9. TANGIBLE FIXED ASSETS

	Freehold housing property £'000	Other freehold properties £'000	Additions to leasehold premises £'000	Office and workshop equipment £'000	Furniture fixtures and fittings £'000	Total £'000
Cost						
1 April 2014	16,261	6,298	33	1,047	6,168	29,807
Additions to existing properties	260	143	-	-	-	403
Other additions	-	-	-	68	302	370
Disposals	(75)	(9)	-	(575)	(3,900)	(4,559)
31 March 2015	16,446	6,432	33	540	2,570	26,021
Social Housing and other capital grants						
1 April 2014	14,087	5,417	-	119	921	20,544
Received during the year	117	132	-	-	8	257
Disposals	(63)	(9)	-	(83)	(710)	(865)
31 March 2015	14,141	5,540	-	36	219	19,936
Depreciation						
1 April 2014	587	7	33	869	5,121	6,617
Charge for the year	51	2	-	57	270	380
On disposals	(5)	-	-	(492)	(3,190)	(3,687)
31 March 2015	633	9	33	434	2,201	3,310
Net book value at 31 March 2015	1,672	883	-	70	150	2,775
Net book value at 31 March 2014	1,587	874	-	59	126	2,646

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

The cost of freehold property at 31 March 2015 includes interest capitalised of £270,000 (2014: £270,000). Cost and capital grants received include £22,000 (2014: £22,000) for fixed assets funded by the Big Lottery Fund.

SOCIAL HOUSING AND OTHER GRANTS

	2015 £'000	2014 £'000
Total accumulated Social Housing Grant and other grants:		
Capital grant received	21,427	21,287
	<u>21,427</u>	<u>21,287</u>

10. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2015 £'000	2014 £'000
Interest in subsidiary	-	-
Listed investments	4,512	4,339
	<u>4,512</u>	<u>4,339</u>
Net book value at 31 March	<u>4,512</u>	<u>4,339</u>

The historical cost of fixed asset investments is £4,509,000 (2014: £4,321,000). The listed investments are carried in the financial statements at market value.

Interest in subsidiary

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

The aggregate capital and reserves of the Company at the 31 March 2015 amounted to £2,224 (2014: £3,062). The loss for the year after tax was £836 (2014: Loss £130).

During the year the Association had the following intra group transactions with St Anne's Trading Limited, a non-regulated entity:

	2015 £	2014 £
Recharge of costs relating to the provision of trading	<u>2,074</u>	<u>4,540</u>

Listed investments

	£'000
Market value at 1 April 2014	4,339
Disposals	(1,334)
Additions	<u>1,507</u>
Market value at 31 March 2015	<u>4,512</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Arrears of rent	361	509
Less: Provision for bad and doubtful debts	(61)	(96)
	<u>300</u>	<u>413</u>
Invoiced debtors	2,619	3,002
Other debtors	209	117
Prepayments and accrued income	1,331	1,114
Amounts owed by subsidiary company	5	10
Estimated amount due from bank administration	-	-
	<u>4,464</u>	<u>4,656</u>

At 31 March 2009 a deposit of £1,059,000 with a bank in administration was written down to its then estimated realisable value of £529,000. During the five years ended 31 March 2015 £933,000 was repaid. The latest administrator's report dated May 2015 identifies an estimate of a further £27,000 to £44,000 in dividends will be received. However, this has not been recognised as a year end debtor due to the level of uncertainty surrounding the receipt of any future dividends.

12. CURRENT ASSET INVESTMENTS

	2015 £'000	2014 £'000
Money market deposits	<u>3,897</u>	<u>5,383</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Social housing allowances	6	6
Trade creditors	602	560
Capital expenditure on housing properties	11	11
Pension contributions	233	263
Other creditors	757	619
Committed revenue grant deferred income	1,512	1,465
Accruals and deferred income	1,448	1,167
Other taxation and social security	429	442
	<u>4,998</u>	<u>4,533</u>

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

	2015 £'000	2014 £'000
Other loans	1	1
Recycled Capital Grant Fund (note 15)	-	59
	<u>1</u>	<u>60</u>

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

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

15. RECYCLED CAPITAL GRANT FUND

	2015 £'000	2014 £'000
At 1 April	59	-
Grant recycled	58	58
Interest accrued	-	1
Withdrawals	(117)	-
	<u>-</u>	<u>59</u>

16. DEBT ANALYSIS

Borrowings are repayable as follows:

	2015 £'000	2014 £'000
Between two and five years	-	-
After five years	1	1
	<u>1</u>	<u>1</u>

17. GENERAL CHARITY FUND

	2015 £'000
At 1 April 2014	136
Transfer from revenue reserve	<u>16</u>
At 31 March 2015	<u>152</u>

18. REVALUATION RESERVE – FIXED ASSET INVESTMENTS

	2015 £'000
At 1 April 2014	27
Movement in year:	
Transfer to revenue reserve	<u>(24)</u>
At 31 March 2015	<u>3</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

19. DESIGNATED RESERVES

	Financing capital expenditure	Reserve for major repairs	Total
	£'000	£'000	£'000
At 1 April 2014 and 31 March 2015	<u>2,517</u>	<u>195</u>	<u>2,712</u>

20. REVENUE RESERVE

	£'000
At 1 April 2014	3,373
Surplus for the year	1,051
Transfer to charity fund	(16)
Transfer from revaluation reserve	24
Actuarial (loss)/ gain relating to pension scheme	<u>(4,934)</u>
At 31 March 2015	<u>(502)</u>

At 31 March 2015 the Revenue Reserve included £12,521,000 defined benefit pensions' liability (2014: £8,718,000)

The Association endeavours to maintain reserves at a level, which ensures that investment income generated is sufficient to cover the cost of those activities for which no other funding is available.

21. RECONCILIATION OF MOVEMENTS IN FUNDS

	2015	2014
	£'000	£'000
Opening funds	6,248	1,002
Total recognised (deficits)/ surpluses	<u>(3,742)</u>	<u>5,246</u>
Closing funds	<u>2,506</u>	<u>6,248</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

22. RECONCILIATION OF OPERATING (DEFICIT)/ SURPLUS TO OPERATING CASH FLOW

	2015	2014
	£'000	£'000
Operating deficit	(45)	(669)
Depreciation of tangible fixed assets	380	384
Loss on disposal of tangible fixed assets	2	5
Decrease/(Increase) in value of fixed asset investments	-	4
Release of provision against debtor	11	28
Pensions operating charge	1,929	2,488
Pension contributions paid	(2,079)	(2,267)
Decrease/(Increase) in debtors	173	(432)
Increase/(Decrease) in creditors	464	(1,027)
	<u>835</u>	<u>(1,486)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2014 £'000	Cashflow £'000	At 31 March 2015 £'000
Cash at bank and in hand	2,535	1,702	4,237
Current asset investment	<u>5,383</u>	<u>(1,486)</u>	<u>3,897</u>
	7,918	216	8,134
Loans	<u>(1)</u>	<u>-</u>	<u>(1)</u>
	<u>7,917</u>	<u>216</u>	<u>8,133</u>

24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015 £'000	2014 £'000
Net funds at 1 April	7,917	9,026
Increase/(decrease) in cash and current asset investments in the year	216	(1,110)
Cash inflow from funding	<u>-</u>	<u>1</u>
Net funds at 31 March	<u>8,133</u>	<u>7,917</u>

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2015 or 31 March 2014.

26. CONTINGENT LIABILITIES

At 31 March 2015 and 31 March 2014 there was a contingent liability in respect of a performance bond to the value of £172,000 which has been entered into between St Anne's Community Services, Unity Trust Bank plc and Doncaster MBC. This guarantees the Association's performance under a contract for provision of supported living services and will remain in place for the duration of the contract.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

27. LEASING COMMITMENTS

The payments, which the Association is committed to make in the next year under operating leases are as follows:

	2015		2014	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring:				
In one year or less	6	56	-	40
Between one and five years	46	185	51	196
In five years or more	8	-	8	-
	<u>60</u>	<u>241</u>	<u>59</u>	<u>236</u>

28. PENSIONS

The Association operates two pension schemes, paying pension contributions to the National Health Service Pension Scheme and the West Yorkshire Pension Fund. Both schemes are defined benefit schemes. Membership of the West Yorkshire Pension Fund was closed to new employees with effect from 31 March 2012.

National Health Service Pension Scheme

NHSPS 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 both SSAP 24 and FRS 17 represents the employer contribution payable.

Employer contributions were made at the rate of 14% during the accounting period. Payments to the scheme in the period amounted to £400,091(2014: £432,227). Members contribute at a rate of 6%.

The scheme is subject to full valuations every four years (previously every five years). The last valuation took place as at 31 March 2012. 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.nhs.gov.uk.

West Yorkshire Pension Fund (WYPF)

The 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. The most recent formal actuarial valuation was completed as at 31 March 2013 and rolled forward to 31 March 2015, by a qualified independent actuary.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

28. PENSIONS (continued)

The market value of the scheme's assets at 31 March 2013 was £9,956.7 million against scheme liabilities of £10,411.1 million, a deficit of £454.4 million. The main actuarial assumptions used in the valuation were:

Implied price inflation	
Retail Prices Index (RPI)	3.3%
Consumer Prices Index (CPI)	2.4%
In service discount rate	
Admission bodies	5.2%
~	
Left service discount rate	
Admission bodies	3.6%
Rate of pay increases	3.9%
Rate of pension increases	
Benefits in excess of GMPs	2.4%
Post 5 April 1988 GMPs	2.0%

Contributions

The employers' regular contributions to the WYPF by St Anne's for the year ended 31 March 2015 at 13.7% of pensionable pay were £1,479,000 (2014: £1,270,000) £Nil (2014: £27,000) was paid to cover early retirement strain on fund payments. An additional amount of £600,000 (2014: £970,000) was paid in recognition of the need to reduce the deficit on St Anne's section of the WYPF. The employers' contribution rate has been fixed at 15.7% of pensionable pay for the year ending 31 March 2016. Employees' contribution rates have been fixed at rates between 5.5% and 8.5% dependant on salary levels. The employers' regular contributions to the Fund for the accounting period ending 31 March 2016 are estimated to be £1,718,000. An additional monetary amount of £234,000 is payable.

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.

Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 17 basis were:

	31 March 2015 % per annum	31 March 2014 % per annum	31 March 2013 % per annum	31 March 2012 % per annum
Rate of increase in salaries	3.4	3.9	4.7	5.1
Rate of increase in pensions in payment	1.9	2.4	2.8	2.6
Discount rate	3.3	4.3	4.6	4.8
Inflation assumption- RPI	3.0	3.4	3.7	3.6
Inflation assumption CPI	1.9	2.4	2.8	2.6
Expected rate of return on assets:				
Equities		7.6	7.8	8.1
Government Bonds		3.4	2.8	3.1
Other Bonds		4.0	3.8	3.7
Property		6.9	7.3	7.6
Cash/Liquidity		0.9	0.9	1.8
Other		7.6	7.8	8.1

St Anne's Community Services employed a building block approach in determining the rate of return on Fund assets. Historical markets were studied and assets with higher volatility were assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class for the years ended 31 March 2012 to 31 March 2014 is set out within this note. The overall expected rate of return on assets was then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March.

Due to forthcoming changes to disclosure requirements, assumptions for the expected return on assets held at 31 March 2015 are no longer required.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

28. PENSIONS (continued)

Mortality assumptions

The post retirement mortality assumptions used to value the benefit obligations at 31 March 2014 are based on the Standard SAPS Normal Health All Amounts series. The assumed life expectations on retirement at age 65 are:

	2015 % per annum	2014 % per annum
Retiring today:		
Males	22.6	22.5
Females	25.5	25.4
Retiring in 20 years:		
Males	24.8	24.7
Females	27.8	27.7

Amounts recognised in the balance sheet

	2015 £'000	2014 £'000
Present value of funded obligations	77,222	65,604
Fair value of plan assets	<u>(64,701)</u>	<u>(56,886)</u>
Deficit	<u>12,521</u>	<u>8,718</u>
Amount in balance sheet		
Liabilities	<u>12,521</u>	<u>8,718</u>

Statement of total recognised surpluses and deficits
Year ended 31 March

	2015 £'000	2014 £'000
Actuarial (loss)/ gain in pension scheme recognised in STRSD	<u>(4,934)</u>	<u>5,178</u>
Cumulative actuarial loss recognised in STRSD	<u>(11,564)</u>	<u>6,630</u>

Analysis of the amount charged to the income and expenditure account:

	2015 £'000	2014 £'000
Current service cost	1,929	2,461
Past service cost	-	27
Expected return on pension scheme assets	(3,826)	(3,634)
Interest on pension scheme liabilities	<u>2,845</u>	<u>3,163</u>
Total operating charge	<u>948</u>	<u>2,017</u>

£1,929,000 (2014: £2,488,000) was charged to the operating surplus and £981,000 (2014: £471,000) was credited to other finance interest.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

28. PENSIONS (Continued)

Changes in present value of defined benefit obligations

	2015	2014
	£'000	£'000
Opening defined benefit obligation	65,604	67,925
Current service cost	1,929	2,461
Past service cost	-	27
Interest cost	2,845	3,163
Actuarial (gains)/losses on liabilities	7,656	(7,179)
Benefits/transfers paid	(1,380)	(1,417)
Member contributions	568	624
	<u>77,222</u>	<u>65,604</u>
Closing defined benefit obligation		

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

	2015	2014
	£'000	£'000
Opening fair value of assets	56,886	53,779
Expected return on scheme assets	3,826	3,634
Actuarial gains/(losses)	2,722	(2,001)
Contributions by employer	2,079	2,267
Member contributions	568	624
Net benefits paid	(1,380)	(1,417)
	<u>64,701</u>	<u>56,886</u>

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

	2015	2014
Equities	76.4%	75.3%
Bonds	15.1%	15.9%
Property	4.2%	3.2%
Cash /liquidity	2.1%	3.1%
Other	2.2%	2.5%
	<u>100%</u>	<u>100%</u>

	2015	2014
	£'000	£'000
Actual return on plan asset	<u>1,104</u>	<u>1,633</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

28. PENSIONS (Continued)

Amounts for the current and previous four periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(77,222)	(65,604)	(67,925)	(60,117)	(50,104)
Fair value of scheme assets	64,701	56,886	53,779	45,538	42,719
(Deficit) on scheme	(12,521)	(8,718)	(14,146)	(14,579)	(7,385)
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	2,722	(2,001)	3,576	(2,549)	1,559

Admission Agreement for admission to West Yorkshire Pension Fund

In connection with a contract between City of Bradford Metropolitan Council and the Association, 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 Association 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, no employer contributions are required for the year ending 31st March 2016.

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

29. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption conferred by FRS 8 not to disclose related party transactions with other group entities.

During the year four clients, Mr Billy Craven, Mr Steven Durham, Mr Michael Ludlum and Mr Peter Shillito served as members of the Board. Their transactions are on normal commercial terms and they are not able to use their position to their advantage.