

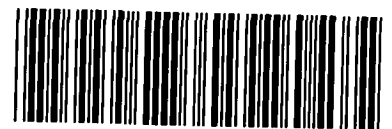
COMPANY NO: 1089026

CHARITY NO: 502224

RSH NO: H3158

St Anne's Community Services
Annual Report and Financial Statements
For the Year Ended 31 March 2022

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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 2022. 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

A Sully (appointed Chair 24 November 2021)
B Machin (Vice Chair)
I McIntosh (resigned 26 January 2022)
P Brown (resigned 31 July 22)
G Dalton
P Garnett (resigned 31 July 22)
G Osborne (resigned 24 November 2021)
J Riley (resigned 01 August 22)
M Turnbull
T Watters
I Currell (resigned 31 July 22)
O Laird
A Leech
L Hancock (appointed 01 August 22)
J Adams (appointed 01 August 22)
A Topping (appointed 26 October 2022)
C Ashton (appointed 26 October 2022)

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
7th 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

2021/22 has been my first year as Chair of St Anne's Community Services, as I take over from Ian McIntosh, the previous Chair, I would like to thank him for his service to St Anne's and look forward to building on from the positive work that is already happening at St Anne's.

2021/22 is the first year of our new five-year strategy, underpinning the strategy are our PROUD values and our purpose of making a difference every day by providing the highest quality, person centred care and support. Whilst this forms part of our new strategy this has been at the core of St Anne's philosophy since St Anne's began in 1971 and will therefore continue to be so.

We are all very aware that this year has been another year of change and challenge. We have continued to face unprecedented challenges during the year brought about by the Covid-19 pandemic, but in spite of these challenges we have continued to see our front-line staff carry out their roles with an amazing amount of dedication and resilience. 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 another 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.

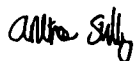
Our people are our key to everything we do at St Anne's. As such we are committed to the continuous development of our staff and investing in their training and support. In recognition of the challenges our people face working in the sector we have committed to paying all of our staff at least the national Real Living Wage, with the aspiration to continue to pay this 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 2021/22, described in the following pages, reflects an improvement from the previous year, moving us from a deficit to a surplus position this year, despite the challenges within the social care sector and the effect of the Covid-19 pandemic, this therefore puts us in a more sustainable position for the future. Nevertheless, we should never be complacent as the sector is ever changing and we need to continually evolve how we can best continue to support our clients, reinvest in our current services and develop new services to meet the changing needs of the most vulnerable people in our society.

During 2021/22 St Anne's Senior Management Team has remained relatively stable, with only a couple of changes in personnel, as a consequence this has allowed us to move our strategy forward and deliver on a number of larger projects that will help to shape St Anne's in the years to come.

Our Board of Trustees has also remained relatively stable in the year, with only a couple of resignations, however there are plans to further strengthen the Board of Trustees and Trustee representation on our committees in 2022/23. 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 thanks. The Board is looking forward to 2022/23 with cautious optimism, knowing as an organisation we will be able to face any challenges headlong and continue to provide the highest possible support to all of our clients.



Anthea Sully,
Chair of Board of Trustees

CHIEF EXECUTIVE'S WELCOME

The year has continued to be a challenging one for St Anne's, most notably with the continued impact of Covid-19; therefore, continuing to put our clients at the centre of what we do is more important than ever, and we have only been able to do this through the continued dedication and resilience of our fantastic colleagues.

I would like to thank all of our staff for their continued commitment and support to our clients throughout the year - we wouldn't be able to continue to do the great work we do at St Anne's without you.

2021/22 has been the first year of our new five-year strategy – "A Life Without Limits". During the year we have done a lot of the groundwork for the strategy particularly looking at how we invest in our properties for the benefit of our clients, further developing our approach to quality, focusing on social value and securing funding to allow further growth in the services we provide. Despite the challenges of Covid-19 this has therefore been an exciting time for St Anne's and one to build from in 2022/23.

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

Financially we are in a stronger position than we were last year, having moved from a deficit to a small surplus, before the pension valuation, in the year, and a much larger surplus after the pension valuation. Whilst some of the factors effecting last year's financial performance were out of our control, the receding impact of Covid-19 towards the back end of the year has allowed a recovery in our financial performance and puts us on a good footing for continued financial sustainability.

Whilst our overall financial position is an improved one the challenges of funding within the social care sector remain which is further exacerbated by the rise in the cost of living which will put our costs under an extra amount of pressure in 2022/23.

Despite the financial challenges we face, we believe it is important to recognise the importance of our staff and both in 2021/22 and also planned for 2022/23 we have been able to announce a salary increase that puts all of our staff at or above the national Real Living Wage. Given funding challenges in the sector it has been hard to maintain this position, however given recruitment challenges in the sector are equal to that of the funding challenge 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 look forward to 2022/23, we are optimistic that the year will be a positive one as we return to some normality after the Covid-19 pandemic and build on from everything we have achieved in 2021/22.

Azra Kirkby

Azra Kirkby (Nov 4, 2022 09:40 GMT)

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 2022.

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

St Anne's was founded 51 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 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 2021/22 we continued our work to make a difference, providing high quality care and support to enable people to lead independent and fulfilled lives, which was made particularly challenging this year due to the continuing Covid-19 pandemic. Some examples of our achievements this year include:

Our clients:

- Successful Covid vaccination and booster programme for all clients, keeping them safe as the pandemic continued.
- New appointment to client involvement and social value officer, re-energising our client group, the SEVEN Group, after the Covid lockdowns.

Our staff:

- Successful re-structure of a number of our central teams to ensure they are more able to support the organisation going forward, including our Quality team.
- Investment in the area manager team, with another area manager role created to support the growth of our services in Hull.
- Two internal promotions to area manager roles.
- Four internal promotions to registered manager roles.
- One internal promotion from area manager to a head of role.
- Registered manager won manager of the year from Leeds City Council.

Our services:

- Successfully moved location for our Glenholme service to a great new building.
- Opening of our new Somewhere Safe to Stay Hub, a service for women in Leeds.
- Refurbishment of Aachen Brook to provide two emergency/respite beds for Calderdale local authority.
- Further development in Hull, identification of two sites and building work nearing completion to open two new mental health services.
- Resource Centre chosen as a charity of the year by the Leeds Lord Mayor.

Our systems and processes:

- Our dedicated staff teams were selfless in supporting our clients throughout the Covid-19 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.

Corporate Social Responsibility

Our Commitment to Corporate Social Responsibility (CSR) continues across the work we do with clients and beyond with partners of all size across the local communities in which 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.

Strengthening our Governance

Last year saw the redevelopment of two key governance documents; The Governance Framework and the Risk Management Framework, this year our aim was to further refine them ensuring they continue to provide the framework, structure whilst detailing 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, and importantly identifying points of accountability and escalation, risks and risk management.

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 again this year our Modern Slavery Statement, which explains our continued commitment and 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 full 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. Where we have properties that are no longer fit for purpose, we have commenced a reprovion programme. During 22/23 all properties will go through a full property option appraisal.

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 2021/22 was £43.6m, down on the previous year by £1.1m (2%), whilst this is a drop in income there have been no major contract losses in the year from the local authorities we work with, who provide the majority of our income, and instead this is due to some limitations on certain services due to Covid-19. However, our operating costs have reduced by more than the same proportion; in fact they have dropped by £2.0m (4%) from the previous year.

This year we have made a small surplus of £128k before the actuarial gain/loss on our pension schemes, this is compared to a deficit of £672k last year, hence there has been some really positive progress in the year.

In the year we have also seen a large actuarial gain from the pension scheme of £19.6m which has resulted in a comprehensive surplus of £19.7m compared to the £5.8m comprehensive deficit last year, hence a £25.5m improvement in our financial performance.

The result of the movement in the valuation on our pensions scheme, with the West Yorkshire Pension Fund ("WYPF"), has led to an overall pension liability of £0.9m on our balance sheet, this compares to £20.4m last year, hence is a very significant reduction in the liability. In the year we have removed the vast majority of the active membership from the scheme, moving members from a defined benefit scheme to a defined contribution scheme. However, the biggest factor in the change in the valuation is an economic one, whilst generally the immediate economic outlook is not a positive one, there has been an improvement since the height of Covid-19 when the previous pension scheme valuation took place.

In the year our reserves are therefore back into a positive position, and consequently also a net assets position, of £14.7m compared to a £5.0m negative reserves and net liabilities position last year.

Additionally, our cash position as an organisation remains strong with £10.9m in cash and investments, albeit that is a £4.9m drop from the previous year mostly due to on-going investments in the organisation, particularly in our properties.

Looking ahead to 2022/23, which is the second year of our 5-year strategy, we hope to continue to support our clients in the best way possible and particularly invest in the environments in which they are living, as well as looking at opportunities to grow and support more clients. Underpinning all of that will be ensuring that we do so in a financially sustainable way.

Comprehensive income for the five years ended 31 March 2022

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Turnover	43,641	44,685	42,877	44,833	44,153
Operating costs	(43,138)	(45,097)	(43,311)	(45,214)	(43,762)
Pension adjustments*	(337)	(532)	491	793	816
Controllable Surplus/(Deficit) for the year	166	(896)	57	412	1,207

**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 2022

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'00
Tangible fixed assets	15,539	13,210	13,452	13,619	13,877
Fixed asset investments	2	2	1,509	1,510	1,510
Net current assets	10,037	12,844	12,441	11,856	11,209
Total assets, less current liabilities	25,578	26,056	27,402	26,985	26,596
Creditors due after more than 1 year	10,008	10,693	11,151	12,310	12,377
Net Pension liability	874	20,367	15,424	6,679	8,397
Total net assets/(liabilities)	14,696	(5,004)	828	7,996	5,822
Reserves: General Charity Fund	127	161	127	161	162
Investment revaluation	-	-	8	8	8
Revenue reserves	15,444	15,202	16,117	14,506	14,049
FRS 102 pension liability	(874)	(20,367)	(15,424)	(6,679)	(8,397)
Total Reserves	14,696	(5,004)	828	7,996	5,822

Value for Money

Value for Money is a key focus for the Board and as an organisation we are continuously striving to improve the way we work so that we can provide better services for the people we support. Value for Money is central to this and underpins our strategy. We take a balanced approach to Value for Money that considers performance and investment through three lenses:

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

Our assets provide the foundation for our success. These include our hard working staff, and our homes and infrastructure, which enable us to efficiently provide services and run the business. Improved asset utilisation and management of voids are key projects that have continued from the previous financial year.

By ensuring we manage our assets effectively and efficiently, we provide high quality services, which means we serve our clients well, remain competitive and have the financial strength and resilience to mitigate financial risks now and in the foreseeable future.

Value for Money Summary

Our Metrics	Housing Median 20/21	Actual 21/22	22/23 Target
Rent arrears	5.1%	4.8%	1.8%
Voids	1.0%	3.7%	4.6%

Rent arrears are above the housing median and this is driven primarily by housing benefit arrears. We receive housing benefit directly for the majority of our social housing clients and this is paid 4 weekly in arrears.

Void rates are generally higher for supported housing than for general needs housing because of the complexities of matching clients needs to suitable properties. Again, this figure is elevated due to the voids at our hostel service.

We have not included tenant satisfaction this year as for the last two years we have been unable to complete the survey due to Covid-19. This is planned for 22/23 but a target has not been set in the absence of recent surveys.

Regulator Metrics	Actual 20/21	Peer Median	Housing Median	Target 21/22	Actual 21/22	22/23 Target
Reinvestment	8.7%	5.0%	5.7%	7.5%	13.5%	8.7%
New Supply	0.0%	1.7%	1.2%	0.0%	0.0%	0.0%
Gearing	N/A	26.6%	44.8%	N/A	N/A	TBC
EBITDA MRI Interest Cover %	N/A	339.7%	186%	N/A	N/A	150%
Headline Social Housing Cost	£28,971	£5,590	£3,680	£22,000	£27,304	£27,000
Operating margin social housing %	4.0%	16.3%	26.9%	9.5%	6.9%	6.9%
Operating margin overall %	(1.0%)	12.9%	25.0%	(1.0%)	1.2%	0.2%
ROCE%	(1.7%)	3.7%	3.6%	>0%	2.0%	>2.0%

Investment in our properties has increased in the year, which builds on earlier years of investment and a drive to improve the standards of housing to meet and exceed the decent homes standard.

There was no development of new supply in the year and development of new housing stock does not form part of strategy for 2022/23.

We do not have finance in place and therefore gearing and interest cover are not applicable, however we may look at this in the year 2022/23 so the target for cover has been agreed but the gearing target has not yet been set.

Our headline social housing cost is significantly higher than the median, the peer group which was based on providers who also offer supported housing and other care provisions shows a higher figure, however the nature of our services and the requirement to meet our clients' specific individual needs means our spend is much higher than both the median and the peer group.

Again, our operating margin is closer to our peer group of supported housing providers, rather than the housing median but is an area we are looking to improve. Our overall operating margin is now positive, which reflects some of the improvements over the past few years.

The return on capital employed was targeted to be a positive value for the year and that has been achieved, it is still lower than the peer and housing median, which we expect to improve incrementally following the increased investment in 2021/22 and into 2022/23.

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 Trustees have considered financial risks, sources of income and variability of costs. As a consequence, the target level of free reserves has remained 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 £10.3m at 31 March 2022.

	31 March 2022	31 March 2021
	£'000	£'000
Unrestricted reserves	14,696	(5,004)
Exclude functional assets	15,539	13,210
Exclude deferred grants relating to functional assets	(10,254)	(10,938)
Exclude pension liability	(874)	(20,367)
Free reserves	10,285	13,091

The pension deficit of £0.9m (2021: £20.4m) 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, based on the current valuation, 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 2022 fixed asset investments were valued at £2k (2021: £2k), albeit we have a number of current asset investments.

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 and as necessary escalated to 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.
- A risk movement narrative report is maintained and explains the movement and rationale of risks where they have reduced or have been increased.
- The risk management framework is meaningful and effective.

Our approach is consistent and aims for continuous improvement:

- Strong and effective 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 a three-level approach to risk mitigation to reduce or minimise the impact of risks.
- Providing detailed reporting through SMT, on to committees, and through to Board.

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 organic documents which are reviewed fortnightly by SMT, all risks are allocated to a Committee and those Committees scrutinise their allocated risks before they are fed into the Corporate Risk Register which then forms part of the compliance documents for the Board. The following are some of the more significant risks St Anne's is currently facing:

Recruitment: Across the sector recruitment continues to be a challenge and St Anne's is no different, our ability to recruit sufficient and suitably qualified nurses and support workers has the potential to impact our ability to support our clients, therefore recruitment remains one of our top priorities.

Funding: Funding is another challenge in the sector and given St Anne's works closely with a relatively small number of customers we are reliant on their ability to fund the services we provide.

Whilst this could be a risk for St Anne's, as part of our 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 any other restrictions in funding.

Pensions: The WYPF is a historic St Anne's pension scheme which we recognise on our balance sheet, the scheme is expensive to run and the volatility around the pension's valuation has the potential to have a significant impact on our financial statements, and our ability to tender for new work. To reduce the impact of this at the start of 2021/22 St Anne's vastly reduced the membership of the scheme which has significantly reduced the on-going costs. At the same time, we continue to monitor the pensions valuation and take any appropriate action, whilst noting the long-term nature of the pension liability.

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, several Board committees, and 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 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 meets quarterly with additional ad hoc meetings for exceptional business reasons or decision making.

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 a number of 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.

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 and Safeguarding
- Remuneration and Governance

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 and Safeguarding Committee

The Quality and Safeguarding 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 Governance Committee

The Remuneration and Governance 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

Empowering our people is one of the key pillars to St Anne's strategy of delivering "A Life Without Limits". St Anne's recognises that by value, supporting, protecting, and empowering its people, it sustains its reputation for high quality care and support. 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.

Throughout the Covid-19 pandemic, staff across St Anne's and throughout the social care sector went above and beyond. Faced with the continuing test of adapting to working alongside Covid-19 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 the last year we have launched our Values and Behaviour Framework, which was co-produced with the people we support and St Anne's staff, to reinforce how demonstrate our values every day in all that we do.

As of 31st March 2022, St Anne's employed 1,250 members of staff made up of: 973 Support Workers, 49 Nurses, 60 Deputy Managers, 79 Service or Area Managers working at operational and front-line level in our services, supported by 89 staff in our central support functions or other roles. As with many social care providers, recruitment and retention when the economy opened up again post-Covid has been challenging. However, St Anne's has continued to be able to grow and develop as an organisation, opening new services in Leeds, Huddersfield and Hull throughout the year.

We are proud of the care and kindness shown by our colleagues throughout the pandemic as they helped the people we support navigate the daunting prospect of repeated Covid-19 vaccinations and to adapting to changes in legislation and guidance. In general, our workforce embraced the requirement to become vaccinated to protect the people they support, which embodies the selflessness of those in social care. The hundreds of examples of dedicated, compassionate, and inspirational support are evidenced by the number of our colleagues nominated in our 2022 PROUD Awards.

Our commitment to ensuring a fair and competitive pay and reward structure has seen the organisation continue to ensure that all its staff are paid at least the Real Living Wage Foundation rate, in addition to reviewing other benefits such as our car allowance structure. We recognise the importance of ensuring an attractive employee value proposition and continue to work hard to make St Anne's an employer of choice in the areas we operate. There has also been a large focus on enhancing the employee voice throughout the year with the launch of our new engagement surveying tool and the introduction of our Freedom to Speak Up Guardians.

Throughout the pandemic St Anne's remained dedicated to ensuring that opportunities for learning and development were not lost. We have now transitioned back to face to face training delivery and concluded our first Leadership Development Programme for over 3 years. This has now progressed to our Deputy Manager and Aspiring Leaders Programme, which has seen over 20 leaders of the future undertake a tailored training programme to support their development. We have also maintained our delivery of apprenticeships whilst expanding our training and development support for our Housing function and remodelling training requirements across our operational services to reflect the diversity of delivery across St Anne's.

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 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. These standards have all been reviewed and retained throughout the course of the year.

We remain committed to enhancing the voice of underrepresented groups across St Anne's and importantly have been able to rejuvenate our Race Equality Network and LGBTQ+ Network, bringing colleagues back together after meeting virtually for many months. These networks are instrumental in guiding and refining our calendar of days of remembrance and celebration, as well as continually reviewing our supportive resources. 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.

St Anne's EDI Officer role has also been developed to specifically incorporate and lead on wellbeing across the organisation alongside our Health and Wellbeing group, FRESH. Our focus on supporting the holistic wellbeing of our staff has seen us train additional Mental Health First Aiders, provide our line managers with additional training on supporting wellbeing and mental health and create resources to help our staff manage their financial wellbeing.

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.

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. St Anne's ensures that all of its permanent workforce is at a rate which is at least the National Living Wage Foundation rate of £9.90 per hour (outside London) once they pass their probation period. We now pay our Support Workers £10.05 per hour after probation, a rate which ensures St Anne's retains competitive rates of pay in Yorkshire and the North-East when compared to its other care sector competitors. The organisation also offers a range of key terms including above statutory sick pay and annual leave, life assurance, pay enhancements for applicable shifts, a salary exchange pension scheme and a suite of staff benefits.

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 2022, St Anne's published its most recent gender pay gap report, showing a marginal 2.6% mean pay gap in favour of male staff.

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

Last year St. Anne's adopted the 2020 Code of Governance for Housing Associations, this year we have worked to build and evidence the highest standards of governance and board excellence setting out standards that housing associations, their boards, and the wider sector should seek to attain.

Having 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 continue to work 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 and keeps Trustees updated on the proposed Social Housing White Paper. 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 there was an internal review of our self-assessment of the Regulator of Social Housing standards, this has been completed for all standards. At this time, we believe we substantially comply with each of those standards. We will continue to review the regulatory self-assessments again during 2022/23.

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 HM Government Environmental Reporting Guidelines 2019, the Governments Sustainability Reporting Guidance 2021, the Greenhouse Gas (GHG) Reporting Protocol, and the UK Government's Greenhouse Gas Reporting Conversion Factors 2021.

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 2021 to 31 March 2022	
Data used to calculate emissions	
Gas (kWh)	4,715,910
LPG (kWh)	84,592
Electricity (kWh)	1,416,462
Transport (kWh)	235,283
Transport (miles)	185,893
Scope 1 GHG Emissions (kg CO₂e)	
Gas (Natural)	848,863
LPG	17,764
Company / Fleet Vehicles - Diesel	51,285
Company / Fleet Vehicles - Petrol	7,233
Total Scope 1 Emissions (kg CO₂e)	925,145
Scope 2 GHG Emissions (kg CO₂e)	
Electricity (Grid Supplied)	273,915
Total Scope 2 Emissions (kg CO₂e)	273,915
Scope 3 GHG Emissions (kg CO₂e)	
Grey Fleet	51,117
Total Scope 3 Emissions (kg CO₂e)	51,117
Total GHG Emissions (kg CO₂e)	1,250,177
Emissions Intensity Ratio	
Total kg CO ₂ e per £1.00 of Total Income	0.029

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per £1 of total income.

Energy Efficiency Action

St. Anne's recognises the importance of becoming more energy efficient. An example of this would be as part of a major relocation project of our head office various energy reduction technologies and approaches have been introduced to minimise the overall energy footprint. These include, but are not limited to:

- More efficient Internal LED Lighting (sensor activated)
- Improved heating and cooling air-con systems
- IT Infrastructure/interfaces – an ongoing programme across all services in the organisation to replace its IT equipment (Monitors, Laptops etc.) with low power or low consumption devices.

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 2021/22, 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 timely budget process with full involvement and engagement from stakeholders to ensure the budget and by default our costs and income are better understood.

The programme in 2021/22 has demonstrated some overall improvements in terms of organisational design and effectiveness compared to the audit areas from the previous years, 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).

The organisation takes account of the longer-term impacts of its decisions, and last year we launched our next 5 year strategy, setting out our strategic commitments, and supporting plans 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 9), our committee structure (see pages 16-17) and specifically in terms of compliance with the Charity Governance Code and the Code for Governance for Housing Associations (see pages 19-20).

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.

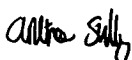
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislation in other jurisdictions.

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

Anthea Sully
Chair of Board of Trustees

Nov 3, 2022

Independent auditor's report to the members of St Anne's Community Services**Opinion**

We have audited the financial statements of St Annes Community Services (the 'charity') for the year ended 31 March 2022 which comprise of the Statement of Comprehensive Income, Statement of Changes in Reserves, Cash Flow Statement and Statement of Financial Position 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 2022 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.

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 directors' 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 directors 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 directors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 23, the directors 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 directors 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 directors 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 directors 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 company 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.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Enquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

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

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

- Making enquiries of the directors 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. 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

Nov 9, 2022

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

Statement of Comprehensive Income
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	2	43,641	44,685
Operating costs	2	<u>(43,138)</u>	<u>(45,097)</u>
		503	(412)
(Deficit) on sale of housing property	5	<u>(40)</u>	-
Operating Surplus / (Deficit)	7	463	(412)
Interest receivable and similar income	6	82	56
Other finance interest	20	<u>(417)</u>	<u>(316)</u>
Surplus / (Deficit) for the year		128	(672)
Other Comprehensive Income			
Actuarial gain / (loss) in respect of pension schemes	20	<u>19,572</u>	<u>(5,159)</u>
Total Comprehensive Surplus / (Deficit) for the year		19,700	(5,831)

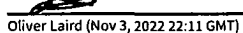
The organisation's results relate wholly to continuing activities.
The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on Nov 3, 2022

and signed on its behalf by:



Ms A Sully, Chair of Board of Trustees



Oliver Laird (Nov 3, 2022 22:11 GMT)

Mr O Laird, Trustee and Chair of Audit & Risk
Committee

Company Registration Number 1089026

Statement of Changes in Reserves
For the year ended 31 March 2022

	Investment revaluation reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2020	8	819	827
Total Comprehensive Deficit	(8)	(5,823)	(5,831)
Balance as at 31 March 2021	-	(5,004)	(5,004)
Total Comprehensive Surplus	-	19,700	19,700
Balance as at 31 March 2022	-	14,696	14,696

Statement of Cash Flows**For the year ended 31 March 2022**

	Note	2022 £'000	2021 £'000
Net cash generated from operating activities	15	(1,504)	2,974
Cash flow from investing activities			
Acquisition and construction of housing properties		(339)	(100)
Purchase of other tangible fixed assets		(3,053)	(311)
Purchase of intangible fixed assets		(26)	0
Proceeds from sale of fixed assets		(33)	0
Proceeds from disposal of fixed asset investments		-	1,507
		(3,451)	1,096
Interest received and similar income		82	56
Net change in cash, cash equivalents and money market deposits		(4,873)	4,126
Cash, cash equivalents and money market deposits at beginning of the year		15,781	11,655
Cash, cash equivalents and money market deposits at end of the year		10,908	15,781

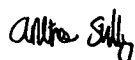
The accompanying notes form part of these Financial Statements

Statement of Financial Position**For the year ended 31 March 2022**

	Note	2022	2021
		£'000	£'000
Fixed Assets			
Housing properties	8	8,699	8,800
Other tangible fixed assets	9	6,768	4,335
Intangible fixed assets	9	72	75
Fixed asset investments	10	2	2
		15,541	13,212
Current assets			
Trade and other debtors	11	4,895	2,973
Investments	12	4,516	4,494
Cash and cash equivalents		6,392	11,287
		15,803	18,754
Creditors: amounts falling due within one year	13	(5,766)	(5,910)
Net current assets		10,037	12,844
Total assets less current liabilities		25,578	26,056
Creditors: amounts falling due after more than one year	14	(10,008)	(10,693)
Provision for Liabilities	17	-	-
Net pension liability	20	(874)	(20,367)
Total net assets / (liabilities)		14,696	(5,004)
Reserves			
Investment revaluation reserve		-	-
Income and Expenditure reserve		14,696	(5,004)
Total reserves		14,696	(5,004)

The accompanying notes form part of these Financial Statements

The Financial Statements were approved by the Board on Nov 3, 2022 and signed on its behalf by:



Ms A Sully, Chair of Board of Trustees


 Oliver Laird (Nov 3, 2022 22:11 GMT)

Mr O Laird, Trustee and Chair of Audit & Risk 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 2022 was £nil (2021: £242k) and the amount released to the income and expenditure account in the year was £242k (2021: £62k).

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 2022 was £12,984k.

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 2022 was £874k (2021: £20,367k), with further details and explanation in note 20.

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 2022	Turnover £'000	Operating costs £'000	Operating surplus / (deficit) £'000
Social housing lettings	14,084	(13,106)	978
Other social housing activities			
St Anne's Centre	314	(246)	68
Respite Services	2,554	(2,357)	197
Tenancy support - Other funding	16,894	(16,523)	434
Funded projects	1,177	(1,185)	(8)
Other	292	(599)	(307)
Total other social housing activities	21,231	(20,910)	321
Non-social housing activities			
Lettings	7,927	(8,666)	(739)
Other	399	(456)	(57)
Total non-social housing activities	8,326	(9,122)	(796)
Grand total	43,641	(43,138)	503

For the year ended 31 March 2021	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	14,492	(13,907)	585
Other social housing activities			
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)
Total other social housing activities	21,803	(22,461)	(658)
Non-social housing activities			
Lettings	7,855	(8,426)	(571)
Other	535	(303)	232
Total non-social housing activities	8,390	(8,729)	(339)
Grand total	44,685	(45,097)	(412)

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)**PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

For the year ended 31 March 2022	Hostels & Supported Housing £'000	Residential Care Homes £'000	2022 Total £'000	2021 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	1,647	5,773	7,420	7,500
Service income	2,767	-	2,767	2,964
Charges for support services	783	-	783	826
Net rental income	5,197	5,773	10,970	11,290
 Revenue grants	 -	 1	 1	 209
Other income	1,266	1,701	2,967	2,847
Amortisation of government grants	93	53	146	146
Turnover from social housing lettings	6,556	7,528	14,084	14,492
 Expenditure on social housing lettings				
Management and care	(4,249)	(6,296)	(10,545)	(11,244)
Services	(629)	(503)	(1,132)	(1,303)
Routine maintenance	(972)	(377)	(1,349)	(1,370)
Bad debt	62	(18)	(80)	11
Operating costs on social housing lettings	(5,912)	(7,194)	(13,106)	(13,906)
Operating surplus on social housing lettings	644	334	978	586
 Void losses	 (517)	 (32)	 (549)	 (618)

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:

	2022 No.	New Units	Units taken out of use	2021 No.
Social housing				
Supported housing and hostels	272	-	(2)	274
Residential care homes	133	-	-	133
Total owned	405	-	(2)	407
Accommodation managed for others	76	3	-	73
Total managed	481	3	(2)	480
 Non-social housing				
Registered nursing homes	83	-	-	83
Total owned	83	-	-	83
Accommodation managed for others	-	-	-	-
Total managed	83	-	-	83

FUNDRAISING

	2022 £'000	2021 £'000
Gifts and donations received	107	104
Direct charitable expenditure	(21)	(25)
Transfer to general charity fund	86	79

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.

	2022 £'000	2021 £'000
Emoluments of the organisation's key management personnel (salary, pension contributions, employer's national insurance and benefits in kind)	704	814
Compensation for loss of office	0	0
Emoluments of the highest paid employee (excluding pension contributions)	174	196

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

	2022 No.	2021 No.
£60,001 - £70,000	4	1
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	2	1
£100,000 - £110,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£170,001 - £180,000	1	-
£190,000 - £200,000	-	1

In 2021/22 there were 8 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.

	2022 £	2021 £
Total expenses* reimbursed to the directors of the organisation	-	49

**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:**

	2022	2021
	No.	No.
Finance and administration staff	72	67
Maintenance and housing staff	8	8
Care staff	1,034	1,064
	1,114	1,139

Employee costs:

	2022	2021
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	31,740	31,668
Social security costs	2,380	2,442
Other pension costs	1,125	2,776
	35,245	36,886

5. SURPLUS ON DISPOSAL OF HOUSING PROPERTIES

	2022	2021
	£'000	£'000
Disposal proceeds	(31)	-
Carrying value of asset	(9)	-
	(40)	-

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest Receivable	82	56
	82	56

7. OPERATING SURPLUS / (DEFICIT)

Operating surplus/deficit is arrived at after charging:

	2022	2021
	£'000	£'000
Depreciation of freehold housing property	230	219
Depreciation of other fixed assets	408	435
Auditors' remuneration (excluding VAT):		
Fees payable for the financial statement audit	41	39
Fees for other audit services: audit of subsidiary accounts	3	3
Total audit services	42	42
Tax compliance services	13	4
Total non-audit services	13	4
Operating leases		
- Land & buildings	216	316
- Other	423	333

8. TANGIBLE FIXED ASSETS – Housing Properties

	Freehold housing property £'000
Cost	
1 April 2021	14,923
Additions to existing properties	339
Disposals	(419)
31 March 2022	14,843
Depreciation	
1 April 2021	6,123
Charge for the year	230
Impairment Charge in year	
Disposals	(209)
31 March 2022	6,144
Net book value at 31 March 2022	8,699
Net book value at 31 March 2021	8,800

	2022 £'000	2021 £'000
Expenditure on works to existing properties:		
Improvement works capitalised	339	100
Amount charged to income and expenditure account	662	742
	1,001	842

The total accumulated amount of capital grants received as at the balance sheet date is £19.6m (2021: £19.9m).

8. TANGIBLE FIXED ASSETS - Social Housing Grants

	2022	2021
	£'000	£'000
Balance at 1 April	10,938	11,176
Amortised within Statement of Comprehensive Income	(241)	(238)
Released on disposal	(443)	-
Balance at 31 March	10,254	10,938
Recognised in:		
Creditors: amounts falling due within one year	247	245
Creditors: amounts falling due after more than one year	10,007	10,693
	10,254	10,938

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	Capital work in progress £'000	Office and workshop equipment £'000	Computer Equipment £'000	Furniture fixtures and fittings £'000	Motor Vehicle £'000	Intangible assets £'000	Total £'000
Cost									
1 April 2021	6,538	47		240	889	3,119	4	125	10,961
Additions	158	-	2,631	-	113	151	-	26	3,079
Disposals	(386)	(47)		-	(1)	(122)	(4)	-	(560)
31 March 2022	6,309	-	2,631	240	1,001	3,148	-	151	13,480
Depreciation									
1 April 2021	2,572	39		230	697	2,961	2	50	6,551
Charge for the year	103	3		7	123	142	1	29	408
On disposals	(152)	(42)		-	(1)	(121)	(3)	0	(319)
31 March 2022	2,523	-	-	237	819	2,982	-	79	6,640
Net book value									
31 March 2022	3,786	-	2,631	3	182	166	-	72	6,840
31 March 2021	3,965	9	-	10	191	158	2	75	4,410

10. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2022 £'000	2021 £'000
Interest in subsidiary	-	-
Investment fund plans, at valuation	2	2
Net book value at 31 March	2	2

The historical cost of fixed asset investments is £nil (2021: £nil).

Investment Fund Plans	£'000
Market value at 1 April 2021	2
Disposals	-
Additions	-
Change in market value	-
Market value at 31 March 2022	2

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 Unit 5, Fountain Court, Bruntcliffe Way, Morley, Leeds, LS27 0JG.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Arrears of rent	683	430
Less: Provision for bad and doubtful debts	(132)	(59)
	551	371
Invoiced debtors	3,633	1,710
Other debtors	152	230
Prepayments and accrued income	485	634
Amounts owed by subsidiary company	74	28
	4,895	2,973

12. CURRENT ASSET INVESTMENT

	2022	2021
	£'000	£'000
Money market deposits	3,991	3,972
Listed investment fund	525	522
Current asset investments	4,516	4,445

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	1,884	1,530
Pension contributions	167	279
Other creditors	420	604
Deferred income - revenue grant	-	242
Accruals and deferred income	2,512	2,004
Other taxation and social security	536	1,005
Deferred capital grant income	247	246
	5,766	5,910

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

	2022	2021
	£'000	£'000
Other loan	1	1
Deferred grant income	10,007	10,692
	10,008	10,693

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.

	2022	2021
	£'000	£'000
Deferred Grant Income:		
At 1 April 2021	10,938	11,176
Received in year	-	-
Repaid in year	(443)	-
Released to income	(241)	(238)
	10,254	10,938
At 31 March 2022		
Released in one year	247	246
Released in more than one year	10,007	10,692
	10,254	10,938

15. NET CASH GENERATED FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Surplus/ (Deficit) for the year	19,700	(5,831)
Interest Receivable	(82)	(56)
Depreciation	638	653
Decrease in provisions	-	(210)
Surplus on disposal of fixed assets	40	-
Amortisation/Release of grants	(241)	(248)
(Increase) / Decrease in debtors	(1,922)	1,829
(Decrease) / Increase in creditors	(144)	1,894
FRS102 Pension Adjustment	(19,493)	4,943
	(1,504)	2,974

16. CAPITAL COMMITMENTS

At 31 March 2022, St Anne's had capital commitments of £178k, for all of which contracts had been placed. (2021: £nil)

17. PROVISION

At 31 March 2022, following a review by Management, and in accordance with Accounting Standards, there were £nil provisions (2021: £nil).

18. CONTINGENT LIABILITIES

In accordance with FRS 102 St Anne's recognises contingent liabilities where management (and their legal representatives) has assessed those potential liabilities as being possible (and would make a provision where such potential liabilities have been assessed as being probable). At the year-end management believe no such possible liabilities exist and as such no contingent liabilities have been disclosed (£nil).

19. LEASING COMMITMENTS

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

	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring:				
In one year or less	198	127	290	136
Between one and five years	18	296	26	197
	216	423	316	333

The future minimum lease receipts due to the organisation are as follows:

	2022 Land and buildings £'000	2021 Land and buildings £'000
Leases expiring:		
In one year or less	56	-
Between one and five years	98	-
	154	-

20. PENSIONS

The organisation utilises four pension schemes: National Health Service (NHS) Pension scheme, Peoples Pension, Scottish Widows and the West Yorkshire Pension Fund. 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 £180k (2021: £175k). 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.nhs.gov.uk.

The People's Pension auto enrolment pension scheme

Contributions were made at 3% during 2021-22. The total payments to The People's Pension auto enrolment pension scheme during the period were £32k (2021: £18k).

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 £1,659k (2021: £515k).

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 2021 at 37.6% of pensionable pay were £577k (2020: £2,068k). The employers' contribution rate has been fixed at 37.6% of pensionable pay for the year ending 31 March 2021. 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:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019
	% per annum	% per annum	% per annum	% per annum
Rate of increase in salaries	2.15	2.95	2.15	2.00
Rate of increase in pensions in payment	3.0	2.7	1.9	2.1
Discount rate	2.7	2.1	2.3	2.5
Inflation assumption - RPI	-	-	-	3.2
Inflation assumption - CPI	3.0	2.7	1.9	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:

	2022	2021
	% per annum	% per annum
Retiring today:		
Males	21.8	21.9
Females	24.6	24.7
Retiring in 20 years:		
Males	22.5	22.6
Females	25.7	25.8

Amounts recognised in the Statement of financial position

	2022	2021
	£'000	£'000
Present value of funded obligations	(106,981)	(118,784)
Fair value of plan assets	106,107	98,417
Net pension liability	(874)	(20,367)

Amounts recognised in surplus or deficit

	2022	2021
	£'000	£'000
Current service cost	236	1,785
Past service cost	-	-
Amounts charged to operating costs	236	1,785
Interest on net defined benefit liability	416	316
Amounts charged to other finance costs	416	316

Amounts recognised in other comprehensive income

	2022	2021
	£'000	£'000
Actuarial gains on liabilities	10,859	915
Actuarial gains / (losses) on assets	8,449	(9,021)
Net amount recognised in other comprehensive income	19,308	(8,106)

Changes in present value of defined benefit obligations:

	2022	2021
	£'000	£'000
Opening defined benefit obligation	118,784	95,054
Current service cost	236	1,785
Interest cost	2,441	2,163
Actuarial (gains) / losses on liabilities	(10,859)	21,851
Benefits/transfers paid	(3,659)	(2,397)
Member contributions	38	328
Closing defined benefit obligation	106,981	118,784

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

	2022	2021
	£'000	£'000
Opening fair value of assets	98,417	79,630
Interest income on scheme assets	2,289	1,847
Actuarial gains on assets	8,449	16,692
Contributions by employer	573	2,317
Member contributions	38	328
Net benefits paid	(3,659)	(2,397)
Closing defined benefit obligation	106,107	98,417

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

	2022	2021
Equities	79.8%	78.9%
Property	4.0%	4.0%
Government Bonds	7.4%	9.0%
Corporate Bonds	4.8%	4.8%
Cash	2.9%	1.3%
Other	1.1%	2.0%
	100.0%	100.0%

	2022	2021
	£'000	£'000
Actual return on plan assets	8,991	18,010

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 2021, employer contributions of £11k were required for the year ending 31 March 2022.

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.

21. RELATED PARTY TRANSACTIONS

The organisation paid £45k (2021: £22k) 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 £2k (2021: £42k). 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 £74k (2021: £29k).

22. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2022	2021
	£'000	£'000
Financial Assets at amortised cost		
Rent and Service Charges receivable	551	371
Invoiced Debtors	3,633	1,710
Other debtors	152	230
Accrued Income	162	163
	4,498	2,474
Financial liabilities at amortised cost		
Trade creditors	1,884	1,530
Other creditors	420	604
Deferred income - revenue grant	-	242
Deferred capital grant	247	245
Accruals and deferred income	2,512	2,004
Other taxation and social security	536	1,006
Pension contributions	167	279
	5,766	5,910