

COMPANY NO: 1089026

# **St Anne's Shelter and Housing Action**

**Report and financial statements**

*Year ended 31 March 2003*



**CONTENTS**

<b>Section</b>	<b>Page</b>
Company information	1
Report of the Chief Executive	2-5
Report of the Council of Management	6-8
Report of the auditors	9
Income and expenditure account	10
Statement of total recognised surpluses and deficits	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13-27

## ST ANNE'S SHELTER AND HOUSING ACTION

### COMPANY INFORMATION

Council of Management:

Mrs M Richards (Chairman)  
Ms T McDonagh (Deputy Chairman)  
Mr D Baines  
Dr P Bardon  
Cllr L Benson  
Cllr M Davey  
Mrs N Hill  
Mr A Hobbs  
Ms L Jackson  
Mr C Kuras  
Mr J S Passan  
Mr D W Richardson

Senior Management Team:

Chief Executive	Ms S Allen
Finance Director	Mrs J A Micklethwaite
Human Resources Manager	Mr D Aveyard
Planning and Administration Manager and Company Secretary	Mr H J Baczowski
Regional Managers:	Mr D Donalds
	Mrs K Newsome

Registered office:

6 St Mark's Avenue  
Leeds  
LS2 9BN

Registered number:

1089026

Charity Commission:

502224

Housing Corporation:

H3158

Auditors:

RSM Robson Rhodes LLP  
St George House  
40 Great George Street  
Leeds  
LS1 3DQ

Bankers:

HSBC Bank plc  
University Branch  
Blenheim Terrace  
Leeds  
LS2 9HE

Solicitors:

Walker Charlesworth & Foster  
29 Park Square  
Leeds  
LS1 2PL

# ST ANNE'S SHELTER AND HOUSING ACTION

## REPORT OF THE CHIEF EXECUTIVE

### *Introduction*

St Anne's Shelter & Housing Action is a major voluntary sector provider of social care and supported housing in Yorkshire and the North East. Founded in 1971 in response to an identified need and based on consultation with potential service users, the organisation now provides a wide range of quality services across the region for people who:

- are homeless or vulnerably housed;
- have a learning disability;
- have mental health problems; and
- have problems relating to alcohol and substance misuse.

Some people we work with require support in relation to more than one of these areas and having a range of service provision enables us to be flexible in our response.

St Anne's currently works in Leeds, Kirklees, Calderdale, North Yorkshire, York, Sheffield, Wakefield, Middlesbrough and Seaham and is developing services in Wakefield, Barnsley, Durham and Sunderland.

It is worth re-stating the organisation's mission statement, which is:

To enable disadvantaged people to have the opportunity to secure and maintain the most suitable housing and to live as independent and full a life as possible.

Three key aims support implementation of this mission statement:

- To protect, maintain and improve the quality standards in existing services and where necessary to re-profile these services to meet the changing needs of service users and the developing policies of service commissioners;
- To develop new services where a need has been established and St Anne's has the skills and experience to provide a high quality service; and
- To achieve and maintain high standards in motivation, skills and qualifications of St Anne's workforce.

St Anne's range of provision includes the following services:

- for people who are homeless – a resource centre, open learning, direct access hostel, assessment and resettlement hostel, outreach teams working with street homeless people, tenancy support and supported housing;
- for people who have a learning disability – supported living, supported housing, adult family placement scheme, day care, residential care, registered nursing home care, specialist services for offenders, for people with multiple disabilities, for the frail elderly;
- for people with mental health problems – supported housing, residential care homes, volunteer befriending scheme, adult family placement scheme, carers respite scheme, community based support service; and
- for people who have problems relating to alcohol and substance misuse – Leeds Detoxification Centre, rehabilitation centre, [drugsproject@st-annes](mailto:drugsproject@st-annes) (including needle exchange, counselling and complementary therapies).

### *The External Context*

There has been no reprieve from the pace of change within which social care and supported housing providers are operating. The Government's drive to improve standards in provision of social care, social housing and housing related support continues. St Anne's welcomes this approach and continues to review its services and where necessary introduce changes to meet the new requirements.

We have now had twelve months experience of working with the newly formed National Care Standards Commission. We will continue to build on the constructive working relationships established as NCSC merges with the Social Services Inspectorate and the joint review team of SSI/Audit Commission to form the Commission for Social Care Inspection. St Anne's has adopted the General Social Care Council's Code of Practice and is working to ensure compliance and implementation of the Code.

## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **REPORT OF THE CHIEF EXECUTIVE (continued)**

We have maintained a strong and positive relationship with both TOPSS and the Learning & Skills Council in our efforts to maximise our support for training and development opportunities for both our own staff and staff in our partner agencies. St Anne's drug and alcohol services are modelling provision to reflect the National Treatment Agency's 'Models of Care' framework and the past year has seen an updated Drugs Strategy produced by central government. The Government intends to produce a national alcohol harm reduction strategy by summer 2003 and St Anne's has contributed to a locally co-ordinated response to the initial consultation document and will remain involved in local work in this aspect.

The Homelessness Act, introduced last year, requires local housing authorities to adopt a strategic, multi-agency and preventative approach to homelessness. Within the coming year all local housing authorities will have produced a homelessness strategy based on the findings of previously conducted reviews. St Anne's is actively involved in local work in devising homelessness strategies. We have also been pro-active in responding to the Regional Housing Strategy and will be submitting a response to the recently produced consultation paper on anti social behaviour.

St Anne's has continued to build strong links with the Primary Care Trusts as they have developed their commissioning role. The new funding regime for supported housing, Supporting People, came in to being on 1 April 2003. St Anne's has worked closely with the local authorities where we have services that are now funded from this source to ensure that services we provide are an integral part of their plans. A lot of work has been undertaken in preparation for the advent of Supporting People including formalising the split between housing management and housing related support. We have undertaken preparatory work for the forthcoming service reviews and self-assessment process through the Quality Assessment Framework.

#### ***Internal Drivers***

St Anne's Corporate Plan for the coming year is built around three key themes:

- service user involvement;
- promoting diversity; and
- best practice management.

This builds on work already underway throughout St Anne's. For example, throughout the past year we have successfully piloted involving service users in the recruitment and selection of new staff. This practice is now being rolled out throughout the organisation and will become a standard part of St Anne's recruitment and selection process. St Anne's Diversity Working Group has undertaken a second staff survey to ascertain experience of discrimination in the workplace. The results have shown an encouraging positive trend in reducing discrimination and the Working Group has agreed an Action Plan to take forward this and a number of other initiatives throughout the coming year.

St Anne's is committed to achieving continuous improvement in the delivery of all existing services and this includes for example:

- thorough implementation of our Supported Living and Person Centred Planning Strategies;
- building on effective partnership working with a range of other agencies; and
- being an empowering and enabling provider of services and employer.

St Anne's has successfully sustained its status as an Investor in People and, as mentioned, above has been proactive in preparing for the process of self-assessment detailed in the Supporting People Quality Assessment Framework. St Anne's services for people with substance misuse needs have been and continue to implement Organisational Standards for Alcohol and Drug Treatment Services – Quality in Alcohol and Drugs Services (QuADS).

2002 saw a new senior management structure introduced to the organisation and, in December, Bill Kilgallon, who had been Chief Executive of St Anne's for 24 years, left to take up the role of Chief Executive of the Social Care Institute for Excellence. Any one familiar with St Anne's will be aware of the tremendous contribution that Bill made, initially as one of the organisation's founding members and for the past 24 years providing leadership and direction to an expanding organisation. As the incoming Chief Executive it has been my privilege to build on the organisation's solid foundations laid and to lead St Anne's in to the next era of continued quality service provision.

The following section of this report details what has been achieved for specific service areas. St Anne's Supported Housing Service provides services for people from each of these service areas, providing tailored and flexible support to enable vulnerable people to manage independently in a tenancy provided by St Anne's. Of particular note is the support that this team provides to STATAS (St Anne's Tenants Association) and the work that goes in to undertaking formal consultations with tenants. A new referral and assessment procedure has been introduced during the past year to streamline the process for prospective tenants.

## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **REPORT OF THE CHIEF EXECUTIVE (continued)**

#### ***Services for People who are or have been Homeless***

St Anne's services for people who are homeless in Leeds continue to make a major contribution to both service delivery and shaping of strategy in the city. St Anne's Resource Centre provides open access provision to some of the most vulnerable people and work continues on improving access to the building for people with physical disabilities. The Open Learning Centre has achieved the Guidance and Accreditation Board quality standard and exceeded targets established with funders although we now face the challenge of securing longer term funding for this highly successfully service. The team at Holdforth Court hostel has created new assessment tools and resettlement plans based on models of good practice. Service users have taken part in recruitment of new staff and have been asked for feedback on the service provided via exit questionnaires. Staff from these services have been actively involved with the local authority in drawing up the Homelessness Review and Homelessness Strategy required by the Homelessness Act 2002.

It has not proved possible to progress plans to end the use of some service users having to share rooms at Bevin Court as had been anticipated. However this remains a key priority for the organisation and revised plans are currently being developed. Work on reviewing and updating policies and working practices at Bevin Court, our direct access hostel in Sheffield, is also enhancing the service provided. We have been able to develop the resettlement support service and have again involved service users in the recruitment of staff at Bevin Court. We now have an IT training room for residents as well as development of training and education for residents on site. The Homeless Action Team is exceeding the targets for the numbers of people they work with and are taking the lead in the rough sleeper's forum in Sheffield.

The closure of St Matthew's Resource Centre in Dewsbury reported last year has resulted in the past year being one of significant challenge for the management of the St Matthews flats. Lack of staff presence on site has been identified as a major contributor to the management problems experienced although inappropriate referrals have also been a factor. A small project group has been working on an action plan to remedy the difficulties experienced and we are optimistic that during the coming year this will once again be a highly used and responsive service.

#### ***Services for people who have a learning disability***

To complement our work in implementing 'Valuing People' St Anne's has produced and is implementing our own Supported Living Strategy and Person Centred Planning Policy, together with Action Plan. Working together with care managers and key stakeholders we have been able to re-profile a number of services from residential care to supported living. We will continue to explore possibilities for further re-profiling. St Anne's has remained active in local strategic planning groups to ensure that our services are developed according to local priorities and according to the needs and wishes of prospective service users.

Progress with the re-provision work from Earls House in Durham has been slower than anticipated but we are hopeful that people will have moved in to their new accommodation by the end of 2003. The service at Seaham transferred to St Anne's at the beginning of April 2003 and we were pleased to be informed that the submission to the Housing Corporation for capital to re-provide accommodation for this group of people was successful. It is anticipated that this capital work should also be completed by the year-end.

During the past year one of the services that is part of the re-provision from Fieldhead Hospital in Wakefield transferred across to St Anne's and work is progressing with the remainder of the re-provision programme. It is anticipated that all of the people will have moved out of the hospital by December 2003.

In January 2003 St Anne's was notified that we had successfully tendered to develop a registered care service for three people with severe learning disability in Sunderland. We are now working with commissioners and care managers to establish this service.

The Supported Living Service set up for people moving out of Meanwood Park Hospital has successfully transferred to St Anne's and our Supported Living Services in both Leeds and Kirklees continue to be in high demand – a reflection of the quality service provision.

In February 2003 St Anne's opened a new Supported Living Service for five young people in a refurbished property in Leeds. A very successful house warming party was held with relatives, friends and staff from St Anne's invited.

## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **REPORT OF THE CHIEF EXECUTIVE (continued)**

#### ***Services for People with Mental Health Problems***

An internal review of the Community Support Service in South-East Sheffield identified high levels of satisfaction with the service from both service users and other stakeholders. St Anne's was successful in securing additional resources to increase the size of the staff team and provide support to more individuals to enable them to manage in the community.

St Anne's has been successful in tendering to be part of a multi-disciplinary assertive outreach team in Barnsley and is working alongside colleagues in other professions to establish this service.

Our Carer's respite scheme in Kirklees has increased both its capacity and activity.

Successful re-profiling of services in line with developments outlined in last years plan has been achieved including development of Supported Living services.

Leeds MIND have provided training courses for St Anne's managers looking at how they can effectively support staff they manage who become mentally unwell and how to be positive in recruiting people who experience mental ill health.

#### ***Services for People with Substance Misuse Issues***

Leeds Detoxification Centre provides the only in-patient detoxification service for people who misuse Alcohol in Leeds. The benefits of structured rehabilitation, increased skills training, group work and outreach support are demonstrated in the significant reduction in readmission rates to this service. Reduced rates of re-admission provide increased opportunities to access treatment. Waiting times both for the detoxification and rehabilitation services are within the National Treatment Agency framework and the high occupancy rates demonstrate the demand for the service. The 'Skills for Life' project run from the Detoxification Centre provides education and training opportunities for residents of St Mark's House Rehabilitation Centre in preparation for the move on to supported or independent accommodation. The project then continues to work with service users providing a floating support service once they have moved back in to the community.

St Anne's has contributed at a local level to responses to the initial draft National Alcohol Harm Reduction Strategy and will remain actively involved in this work.

Harm reduction services have been developed in South and East Leeds. The Needle Exchange Service has seen a fifty- percent increase in the number of people accessing the service over the last twelve months. Staff within the service are achieving high level training awards. The service is extremely effective at networking locally, a critical achievement to gaining the trust of local communities. New premises for the service opened in May 2003.

#### ***Conclusion***

The past year has been one of significant change for St Anne's both in terms of significant changes in senior personnel and of course responding appropriately to the ever-changing external environment. The organisation has risen to the various challenges this has presented and maintained quality service provision for people using the services we provide as well as successfully pursuing a number of development opportunities.

We have continued to build on the solid foundations laid as well as being creative and innovative in our approach to resolving issues. This would not be possible without the dedicated, skilled and experienced staff team who are the backbone of St Anne's. I would like to take this opportunity to thank everyone who has contributed to enabling people who require care and support to live as independent and full a life as possible. It is hard work and often challenging work but at recent workshops for managers we were able to celebrate the many achievements that people have attained – a true testament to those individuals and St Anne's staff who support them. This thanks includes central support staff who have also risen to the many challenges from operating within a constantly changing environment and effectively adapted to ensure that service delivery has remained seamless.



S Allen  
15 July 2003

## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **REPORT OF THE COUNCIL OF MANAGEMENT**

The Council of Management presents its report together with financial statements for the year ended 31 March 2003.

#### **Principal activities**

St Anne's is registered as a charity and a housing association and is principally engaged in providing accommodation, working with single homeless people and people with special housing needs.

#### **Business review**

A review of the year's activities and future prospects is given in the Report of the Chief Executive and Secretary. The Association generated a surplus of £692,000 (2002: £604,000) during the year. After transfers to designated and restricted reserves an amount of £443,000 (2002: £293,000) has been transferred to revenue reserves.

#### **Council of Management members**

The Council of Management members at the end of the year are listed below.

##### **Members**

Mrs M Richards (Chairman) \*\*  
Ms T McDonagh (Deputy Chairman) \*\*  
Mr D Baines \*  
Dr P Bardon  
Cllr L Benson \*\*  
Cllr M Davey  
Mrs N Hill  
Mr A Hobbs \*  
Ms L Jackson (Appointed 17 September 2002)  
Mr C Kuras \*  
Mr J S Passan \*\*  
Mr D W Richardson \*

\* - denotes a member of the Audit Committee. Mr I Pickup is also a co-opted member.

\*\* - denotes a member of the Remuneration Committee

Ms J A Crowther resigned from the Council of Management on 21 May 2002 and Mrs A Keighley resigned on 17 September 2002.

#### **Housing Association Governance**

##### **NHF Code of Governance**

It is the Association's intention to continue to operate within the spirit of the NHF Report on "Competence and Accountability" and the associated Code of Governance.

Following the publication of the Code, the Council of Management reviewed the Association's practice in order to identify any improvements required. We are pleased to report that the Association complies with the principal elements of the Code. We have set out below how we seek to achieve good housing association governance.

##### **Council of Management**

The NHF recommend that the Council should not exceed 15 members. The Association's Council of Management is limited to 20 members including co-optees. The Council of Management members are drawn from a variety of backgrounds, including professional and local experience.

The Council of Management has an Audit Committee and a Remuneration Committee.

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



## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)**

#### ***Recruitment of Council of Management Members***

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

#### ***Committees***

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

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

#### ***Internal Controls Assurance***

The Council of Management has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

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

In meeting its responsibilities, the Council of Management has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within day to day management and governance processes. This approach includes the regular evaluation of the nature and extent of the risks to which the Association is exposed and is consistent with the principles outlined in the Housing Corporation circular R2-25/01 "Internal Controls Assurance"

The arrangements adopted by the Council of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

#### **1 IDENTIFYING AND EVALUATING KEY RISKS**

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

#### **2 CONTROL ENVIRONMENT AND INTERNAL CONTROLS**

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

#### **3 INFORMATION AND REPORTING SYSTEMS**

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

#### **4 MONITORING ARRANGEMENTS**

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

## ST ANNE'S SHELTER AND HOUSING ACTION

### REPORT OF THE COUNCIL OF MANAGEMENT (CONTINUED)

#### Council of Management responsibilities for the financial statements

Company law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable 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 company will continue in business.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Companies Act 1985, Paragraph 17 of Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Going Concern

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

#### Employee involvement

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

#### Disabled employees

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

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

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

#### Tax status

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

#### Auditors

On 3 May 2003, the auditors, RSM Robson Rhodes, transferred their entire business to RSM Robson Rhodes LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, and ceased to act as external auditors to the Association. The Council of Management appointed RSM Robson Rhodes LLP with effect from 3 May 2003 to fill the casual vacancy.

A resolution to reappoint RSM Robson Rhodes LLP as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE COUNCIL OF MANAGEMENT



Mr H J Baczkowski  
Secretary  
15 July 2003

## ST ANNE'S SHELTER AND HOUSING ACTION

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANNE'S SHELTER AND HOUSING ASSOCIATION

We have audited the financial statements on pages 10 to 27 which have been prepared on the basis of the accounting policies set out on pages 13 and 14.

This report is made solely to the association's members, as a body, in accordance with regulations made under Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The Council of Management is responsible for preparing the Council of Management report and other information contained in the Annual Report and, as described on page 8, the Council of Management is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2000. We also report to you if, in our opinion, the Council of Management report is not consistent with the financial statements, if the Group and association have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the association is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

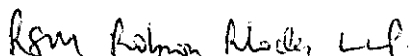
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements and of whether the accounting policies are appropriate to the association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the association as at 31 March 2003 and of the association's surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2000.



RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditors

Leeds, England  
15 July 2003

# ST ANNE'S SHELTER AND HOUSING ACTION

## INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2003

	Note	2003 £'000	2002 £'000
<b>Turnover: continuing activities</b>	2	20,398	18,547
Operating costs	2	<u>(19,941)</u>	<u>(18,223)</u>
<b>Operating surplus: continuing activities</b>	2	457	324
Interest receivable and similar income	5	236	281
Interest payable and similar charges	6	<u>(1)</u>	<u>(1)</u>
<b>Surplus for the year</b>	7	692	604
Transfer to capital grant recycling fund	13	-	(4)
Transfer to charity fund	15	(2)	(14)
Transfer to designated reserves	17	(205)	(252)
Transfer to restricted reserve	18	<u>(42)</u>	<u>(41)</u>
		443	293
<b>Revenue reserve brought forward</b>	19	<u>2,170</u>	<u>1,877</u>
<b>Revenue reserve carried forward</b>	19	<u>2,613</u>	<u>2,170</u>

## STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS for the year ended 31 March 2003

	2003 £'000	2002 £'000
Surplus for the year	692	604
Revaluation of Investment	<u>95</u>	<u>20</u>
<b>Total surpluses relating to the year</b>	<u>787</u>	<u>624</u>

The financial statements were approved by the Council of Management on 15 July 2003.

Mrs M Richards Chairman

*H. A. Richards*

Ms T McDonagh Deputy Chairman

*Theresa McDonagh*

Mr H J Baczkowski Secretary

*H. J. Baczkowski*

# ST ANNE'S SHELTER AND HOUSING ACTION

## BALANCE SHEET at 31 March 2003

	Note	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Tangible fixed assets			
Housing properties			
Gross cost less depreciation		15,175	14,803
Less: Social Housing and other government grants		(13,550)	(13,472)
		<u>1,625</u>	<u>1,331</u>
Other tangible fixed assets		499	494
	8	<u>2,124</u>	<u>1,825</u>
Fixed asset investments	9	1,683	1,535
		<u>3,807</u>	<u>3,360</u>
<b>Current assets</b>			
Debtors	10	1,859	875
Cash at bank and in hand	11	4,294	4,655
		<u>6,153</u>	<u>5,530</u>
<b>Creditors: amounts falling due within one year</b>	12	(3,209)	(2,849)
<b>Net current assets</b>		<u>2,944</u>	<u>2,681</u>
<b>Total assets less current liabilities</b>		<u>6,751</u>	<u>6,041</u>
<b>Creditors: amounts due after more than one year</b>	13	7	84
<b>Reserves</b>			
General charity fund	15	99	97
Investment revaluation reserve	16	115	20
Designated reserves	17	3,681	3,476
Restricted reserve	18	236	194
Revenue reserve	19	2,613	2,170
		<u>6,751</u>	<u>6,041</u>

The financial statements were approved by the Council of Management on 15 July 2003.

Mrs M Richards                      Chairman

*M.A. Richards*

Ms T McDonagh                      Deputy Chairman

*Theresa McDonagh*

Mr H J Baczowski                      Secretary

*H.J. Baczowski*

# ST ANNE'S SHELTER AND HOUSING ACTION

## CASH FLOW STATEMENT at 31 March 2003

	Note	2003 £'000	2002 £'000
<b>Net cash inflow from operating activities</b>	20	<u>133</u>	<u>1,207</u>
<b>Returns on investments and servicing of finance</b>			
Interest received and similar income		166	257
Interest paid		(1)	(1)
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>165</u>	<u>256</u>
<b>Capital expenditure and financial investment</b>			
Acquisition and construction of housing properties		(370)	(98)
Purchase of other fixed assets		(297)	(1,355)
Capital grants received		3	75
Receipts from sale of tangible fixed assets		5	3
<b>Net cash outflow from capital expenditure and financial investments</b>		<u>(659)</u>	<u>(1,375)</u>
<b>Financing</b>			
Loans repaid		-	(1)
<b>Net cash outflow from financing</b>	22	<u>-</u>	<u>(1)</u>
<b>(Decrease) / increase in cash</b>	21	<u>(361)</u>	<u>87</u>

## ST ANNE'S SHELTER AND HOUSING ACTION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: accounting by Registered Social Landlords and comply with the Accounting Requirements for Registered Social Landlords General Determination 2000. The principal accounting policies have remained unchanged from the previous year and are set out below.

##### **Basis of accounting**

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

##### **New accounting standards**

FRS 17 "Retirement Benefits" need not be applied in full until the 2004 accounts, so pension costs have been accounted for under SSAP 24. Some additional disclosures are given as required by FRS 17 (note 26).

##### **Turnover**

Turnover comprises rental income receivable, fees and grants from central and local government and the Housing Corporation, and the proceeds of fund raising activities.

##### **Group financial statements**

The Association has taken advantage of the exemption from preparing group financial statements contained in Section 229(5) of the Companies Act 1985 on the grounds that its subsidiary undertaking is exempt from consolidation under section 229(2) of the Act. Details of the subsidiary undertaking are set out in note 9.

##### **Fixed assets and depreciation**

###### **Assets acquired before 31 March 1981**

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

###### **Assets acquired after 31 March 1981**

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

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

##### **Freehold properties**

Freehold land is not depreciated. Depreciation is charged so as to write down the net book value of freehold properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic lives. The depreciable amount is arrived at on the basis of original cost, less proportion of SHG and other grants, attributable to freehold properties less residual value. The freehold properties are depreciated over a range between 20 and 50 years.

The depreciation calculated on the basis set out above is immaterial due to the length of the remaining useful lives and is not recorded. Impairment reviews are carried out on an annual basis in accordance with FRS 11.

## **ST ANNE'S SHELTER AND HOUSING ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Investments**

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

##### **Designated reserves**

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

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

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

An annual transfer is made to designated reserves for major repairs in order that the Association's liabilities in respect of the cost of long term major repairs to its properties can be met.

##### **Allocation of head office expenses**

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

##### **General Charity Fund**

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

##### **Leased assets**

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

##### **Pension costs**

The Association operates two defined benefit pension schemes for the benefit of its employees, details of which are provided in note 26. Contributions are based on pension costs across the various participating organisations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Association.

Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pensions costs are spread evenly through the income and expenditure account over the average remaining service lives of current employees.



# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS

	2003			2002	
	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating surplus/ (deficit) £'000
<b>Social housing lettings</b>	<u>10,136</u>	<u>(9,454)</u>	<u>682</u>	<u>9,986</u>	<u>689</u>
<b>Other social housing activities</b>					
St Anne's Centre	202	(336)	(134)	173	(144)
Funded projects	990	(979)	11	783	(53)
Fund raising and publicity	183	(183)	-	171	(8)
Tenancy support	1,168	(1,053)	115	347	55
Other	<u>380</u>	<u>(701)</u>	<u>(321)</u>	<u>79</u>	<u>(271)</u>
	<u>2,923</u>	<u>(3,252)</u>	<u>(329)</u>	<u>1,553</u>	<u>(421)</u>
<b>Non-social housing activities</b>					
Lettings	7,186	(7,082)	104	6,881	56
Other	<u>153</u>	<u>(153)</u>	<u>-</u>	<u>127</u>	<u>-</u>
	<u>7,339</u>	<u>(7,235)</u>	<u>104</u>	<u>7,008</u>	<u>56</u>
	<u>20,398</u>	<u>(19,941)</u>	<u>457</u>	<u>18,547</u>	<u>324</u>

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

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

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

	Hostels & Supported Housing £'000	Residential Care Homes £'000	2003 Total £'000	2002 Total £'000
<b>Turnover from social housing lettings</b>				
Rent receivable net of identifiable service charges	824	4,492	5,316	5,724
Service charges receivable	2,025	-	2,025	1,250
<b>Gross rental income</b>	<u>2,849</u>	<u>4,492</u>	<u>7,341</u>	<u>6,974</u>
Voids	(146)	(218)	(364)	(317)
<b>Net rental income</b>	<u>2,703</u>	<u>4,274</u>	<u>6,977</u>	<u>6,657</u>
Housing Corporation revenue grants	168	252	420	414
Other revenue grants	6	2,733	2,739	2,915
<b>Turnover from social housing lettings</b>	<u>2,877</u>	<u>7,259</u>	<u>10,136</u>	<u>9,986</u>
<b>Expenditure on social housing lettings</b>				
Management and care	882	3,460	4,342	4,249
Services	967	3,487	4,454	4,371
Routine maintenance	204	141	345	415
Major repairs expenditure	50	154	204	226
Bad debts	89	20	109	36
<b>Operating costs on social housing lettings</b>	<u>2,192</u>	<u>7,262</u>	<u>9,454</u>	<u>9,297</u>
<b>Operating surplus on social housing lettings</b>	<u>685</u>	<u>(3)</u>	<u>682</u>	<u>689</u>

#### ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

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

	2003 No	2002 No
<b>Social housing</b>		
Supported housing and hostels	319	280
Residential care homes	<u>220</u>	<u>250</u>
	<u>539</u>	<u>530</u>
<b>Non-social housing</b>		
Registered nursing homes	<u>141</u>	<u>141</u>

Where the agency carries the financial risk, the Association's income and expenditure account includes only the income and expenditure for which it retains responsibility. The organisation managing units for the association is detailed below:

Managing body	SHMG paid to managing body £	Units at start of year	Units at end of year
Mary Seacole	<u>18,844</u>	<u>5</u>	<u>5</u>

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued) SUPPORTED HOUSING MANAGED BY AGENCIES

#### 2(a) FUND RAISING AND PUBLICITY

	2003		2002	
	£'000	£'000	£'000	£'000
Gifts and donations received		33		38
Income from charitable trusts and the Community Fund				
Received in the year	153		128	
Deferred from previous year	26		33	
Deferred to following year	(28)		(28)	
		151		133
		184		171
Direct charitable expenditure		(182)		(157)
Transfer to general charity fund		2		14
Fund raising and publicity costs		9		22

Income from the Community Fund for 2003 is set out below:

	Skills for Life project Community fund MG/1/010001409 £	Falling Thro'Net Community fund RB/1/000218614 £	Openlearning@st- annes Community Fund 2003 MJ/1/010023700 £	TOTAL £
Received in the year	60,158	801	91,830	152,789
Deferred from previous year	25,371	761	0	26,132
Deferred to following year	(15,585)	(801)	(11,676)	(28,062)
	69,944	761	80,154	150,859

### 3. DIRECTORS AND EMOLUMENTS

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

	2003 £'000	2002 £'000
Emoluments of the Association's directors (including pension contributions and benefits in kind)	276	234
Emoluments of the highest paid director (excluding pension contributions): The chief Executive		
1/4/02 – 31/12/02	43	54
1/1/03 – 31/03/03	15	-

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

No emoluments were paid to members of the Council of Management during the year.

	2003 £	2002 £
Total expenses reimbursed to the directors of the Association (not chargeable to tax)	65	341

**ST ANNE'S SHELTER AND HOUSING ACTION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2003****4. EMPLOYMENT INFORMATION**

The average number of persons employed during the year was:

	<b>2003 Number</b>	<b>2002 Number</b>
Finance and administration staff	35	33
Housing and social work services	65	66
Care staff	<u>732</u>	<u>673</u>
	<u>832</u>	<u>772</u>

The full time equivalent number of staff at 31 March 2003 was 763 (2002: 701).

	<b>2003 £'000</b>	<b>2002 £'000</b>
Staff costs (for the above persons)		
Wages and salaries	13,708	12,369
Social security costs	838	798
Other pension costs	<u>953</u>	<u>847</u>
	<u>15,499</u>	<u>14,014</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2003 £'000</b>	<b>2002 £'000</b>
Dividends receivable	33	34
Loan interest receivable	1	1
Bank and building society interest receivable	<u>202</u>	<u>246</u>
	<u>236</u>	<u>281</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

On bank loans, overdrafts and other loans:

	<b>2003 £'000</b>	<b>2002 £'000</b>
Repayable wholly or partly in more than 5 years	<u>1</u>	<u>1</u>

**7. SURPLUS ON ORDINARY ACTIVITIES IS STATED AFTER CHARGING:**

	<b>2003 £'000</b>	<b>2002 £'000</b>
Depreciation	235	236
Auditors' remuneration	<u>16</u>	<u>17</u>

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 8. TANGIBLE FIXED ASSETS

	Freehold housing property £'000	Other freehold properties £'000	Additions to leasehold premises £'000	Motor vehicles £'000	Office and workshop equipment £'000	Furniture fixtures and fittings £'000	Total £'000
<b>Cost</b>							
31 March 2002	14,805	6,321	46	64	377	2,582	24,195
Additions during the year	370	-	-	-	8	235	613
Disposals	-	-	-	(12)	-	-	(12)
31 March 2003	15,175	6,321	46	52	385	2,817	24,796
<b>Social Housing and other capital grants</b>							
31 March 2002	13,472	5,970	14	9	89	647	20,201
Received during the year	78	-	-	-	2	-	80
31 March 2003	13,550	5,970	14	9	91	647	20,281
<b>Depreciation</b>							
31 March 2002	-	4	30	55	260	1,819	2,168
Charge for the year	-	-	1	-	2	232	235
Disposals	-	-	-	(12)	-	-	(12)
At 31 March 2003	-	4	31	43	262	2,051	2,391
<b>Net book value at 31 March 2003</b>	1,625	347	1	-	32	119	2,124
<b>Net book value at 31 March 2002</b>	1,333	347	2	-	28	116	1,826

The cost of freehold property includes interest capitalised of £270,000 (2002: £270,000). Cost and capital grants received include £22,000 (2002: £22,000) for fixed assets funded by the Community Fund.

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 9. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2003 £'000	2002 £'000
Interest in subsidiary	-	-
Listed investments at valuation	1,673	1,525
Other fixed asset investments	10	10
	<hr/>	<hr/>
Cost and net book value at 31 March 2003	1,683	1,535

#### Interest in subsidiary

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

The aggregate capital and reserves of the Company at the 31 March 2003 amounted to (£141) (2002: £32). The loss for the year after tax was £143 (2002: loss: £497).

#### Other fixed asset investments

This represents a secured loan to an unconnected undertaking.

#### Listed investments

	£'000
Cost at 1 April 2002	1,525
Additions in year at cost	53
Written-off through Income and Expenditure Account	-
Increase in value to Revaluation Reserve	95
	<hr/>
Market value at 31 March 2003	1,673

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

	2003 £'000	2002 £'000
Invoiced debtors	692	172
Arrears of rent (net of provision)	794	497
Other debtors	90	9
Prepayments and accrued income	243	169
Amounts owed by subsidiary company	12	-
Capital expenditure grant receivable	28	28
	<hr/>	<hr/>
	1,859	875

### 11. CASH AT BANK AND IN HAND

Included in the figure of £4,294,000 (2002: £4,655,000) are amounts received in respect of committed capital and revenue grants totalling £1,304,000 (2002: £1,025,000).

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

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

	2003 £'000	2002 £'000
Social housing allowances	6	6
Trade creditors	466	517
Capital expenditure on housing properties	144	144
Pension contributions	128	116
Other creditors	425	298
Committed revenue grant income	1,304	1,024
Committed capital grant	-	1
Accruals and deferred income	465	492
Social security and other taxes	271	251
	<u>3,209</u>	<u>2,849</u>

### PAYMENTS TO CREDITORS

	2003	2002
Average number of days between receipt and payment of purchase invoices	<u>30</u>	<u>30</u>

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

	2003 £'000	2002 £'000
Capital grant recycling fund	-	77
Other loans	<u>7</u>	<u>7</u>
	<u>7</u>	<u>84</u>

The loans are repayable at varying rates of interest by instalments over more than 5 years and are secured by special charges on various housing properties.

### 14. BORROWINGS

Borrowings are repayable as follows:	2003 £'000	2002 £'000
After two and within five years:		
Other loans	1	1
After five years:		
Other loans	<u>6</u>	<u>6</u>
	<u>7</u>	<u>7</u>

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 15. GENERAL CHARITY FUND

	2003 £,000	2002 £'000
At 1 April 2002	97	83
Transfer from revenue reserve	2	14
At 31 March 2003	99	97

### 16. REVALUATION RESERVE – FIXED ASSET INVESTMENTS

	£,000	£'000
At 1 April 2002	20	-
Movement in year	95	20
At 31 March 2003	115	20

### 17. DESIGNATED RESERVES

	Financing capital expenditure £'000	Planned capital expenditure £'000	Reserve for major repairs £'000	Total £'000
At 1 April 2002	1,705	621	1,150	3,476
Transfer from revenue reserve	5		200	205
Transfer between designated reserves	188	(188)		-
At 31 March 2003	1,898	433	1,350	3,681

### 18. RESTRICTED RESERVE

	Rent surplus fund Reinvestment fund £'000
At 1 April 2002	194
Transfer from revenue reserve	42
At 31 March 2003	236

The Rent Surplus Fund Reinvestment Fund has been calculated in accordance with the Rent Surplus Fund General Determination 1998. The fund can only be spent on specified types of repairs and improvements to existing stock.



# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 19. REVENUE RESERVE

	£'000
At 1 April 2002	2,170
Surplus for the year transferred from income and expenditure account	443
	<hr/>
At 31 March 2003	2,613
	<hr/>

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

### 20. RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOW

	2003 £'000	2002 £'000
Surplus for the year	692	604
Interest receivable	(236)	(281)
Interest payable	1	1
Depreciation charges	235	236
(Increase) / decrease in debtors	(914)	219
Increase in creditors	360	402
Profit on disposal of fixed assets	(5)	(3)
Write down of fixed asset investments	-	29
	<hr/>	<hr/>
Net cash inflow from operating activities	133	1,207
	<hr/>	<hr/>

### 21. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 March 2002 £'000	Cashflow £'000	At 31 March 2003 £'000
Cash at bank and in hand	4,655	(361)	4294
Debt due after one year	(7)	-	(7)
	<hr/>	<hr/>	<hr/>
	4,648	(361)	4287
	<hr/>	<hr/>	<hr/>

### 22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £'000	2002 £'000
Net funds at 1 April 2002	4,648	4,560
(Decrease)/increase in cash in the year	(361)	87
Cash outflow from funding	-	1
	<hr/>	<hr/>
Net funds at 31 March 2003	4,287	4,648
	<hr/>	<hr/>

Net funds consist of cash at bank and in hand and loans.

## ST ANNE'S SHELTER AND HOUSING ACTION

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

#### 23. CAPITAL COMMITMENTS

	2003 £'000	2002 £'000
Contracted for but not provided in these financial statements	-	386
Authorised by the Council of Management but not contracted for	-	-
	<u>-</u>	<u>386</u>

#### 24. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2003 or 31 March 2002.

#### 25. LEASING COMMITMENTS

Operating lease payments amounting to £251,000 (2002: £252,000) are due within one year. The commitments to make the payments included in this sum expire as follows:

	2003		2002	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	-	32	-	29
Between one and five years	43	-	34	179
In five years or more	-	176	10	-
	<u>43</u>	<u>208</u>	<u>44</u>	<u>208</u>

#### 26. PENSIONS

The association operates two pension schemes, paying pension contributions to the National Health Service Pension Scheme and the West Yorkshire Superannuation Fund. Both schemes are defined benefit schemes.

##### National Health Service Pension Scheme

NHSPS is a multi-employer defined benefit scheme. The scheme is unfunded and as a consequence it is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. St Anne's therefore falls into the multi-employer exemption provided by FRS 17, Retirement Benefits, and the income and expenditure account charge for the period under both SSAP 24 and FRS 17 represents the employer contribution payable.

Employer contributions were made at the rate of 7% during the accounting period. Payments to the scheme in the period amounted to £144,000. Member contribute at a rate of 6%.

The scheme is subject to full valuations every four year (previously every five years). The last valuation took place as at 31 March 1999. 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](http://www.nhs.gov.uk).

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 26. PENSIONS (continued)

#### West Yorkshire Superannuation Fund (WYSF)

The WYSF is a multi-employer scheme with more than one participating employer, which is administered by West Yorkshire County 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 method. The most recent formal actuarial valuation was completed as at 31 March 2001.

The market value of the scheme's assets at that date was £4,666 million against scheme liabilities of £4,353 million, a surplus of £313 million. The main actuarial assumptions used in the valuation were:

Investment returns	1% p.a. above govt bonds
Salary increases	3.8 per annum
Future pension increases	2.3%

The additional disclosures which follow are given in preparation for FRS 17 being adopted. In order to assess the actuarial valuation of the WYSF's liabilities at 31 March 2002 and 31 March 2003, the actuaries have rolled forward the actuarial value of the liabilities reported as at 31 March 2001, allowing for changes in financial assumptions as prescribed under FRS 17.

#### Contributions

The employers' contributions to the WYSF by St Anne's for the year ended 31 March 2003 were £824,000 (2002: £802,000) and the employers' contribution rate has been fixed as 10.5% of pensionable pay until 31 March 2004.

#### Assumptions

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

	31 March 2003 % per annum	31 March 2002 % per annum
Rate of increase in salaries	4.0	4.0
Rate of increase in pensions in payment	2.5	2.5
Discount rate	6.0	5.0
Inflation assumption	2.5	2.5

#### Fair value and expected return on assets

The fair value of assets in the WYSF and the expected rates of return were:

	Fair value 31 March 2003 £m	Expected return 31 March 2003 %	Fair value 31 March 2002 £m	Expected return 31 March 2002 %
Equities	9,032	7.5	11,370	8.0
Bonds – Govt	1,648	4.5	1,706	6.0
Bonds – Other	422	5.4	-	-
Property & other	2,083	4.7	2,024	5.0
	<u>13,185</u>		<u>15,100</u>	

There is no provision for unitising the assets of a Fund under the LGPS. The above assets as a whole are allocated to participating bodies on a consistent and reasonable basis.

	2003 £ '000	2002 £ '000
Fair value of the above assets related to the association	13,185	15,100
Value placed on liabilities related to the association	(19,710)	(15,200)
Deficiency related to the association	<u>(6,525)</u>	<u>(100)</u>
Deferred tax asset	-	-
Net pension liability	<u>(6,525)</u>	<u>(100)</u>

# ST ANNE'S SHELTER AND HOUSING ACTION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

### 26. PENSIONS (continued)

#### Analysis of the amount charged to operating surplus

	2003 £ '000
Current service cost	922
Loss on curtailments	27
Total operating charge	949

#### Analysis of the amount charged to other finance costs

	2003 £ '000
Expected return on pension scheme assets	1,159
Interest on pension scheme liabilities	(952)
Net charge	207

#### Analysis of amount recognised in statement of total recognised surpluses and deficits (STRSD)

	2003 £ '000
Actual return less expected return on pension scheme assets	(4,323)
Experience gains and losses arising on scheme liabilities	-
Changes in assumptions underlying the present value of scheme liabilities	(2,184)
Actuarial deficit recognised in STRSD	(6,507)

#### History of experience gains and losses

	2003
<b>Difference between expected and actual return on share of scheme assets:</b>	
Amount (£'000)	(4,323)
Percentage of share of scheme assets	(32.8%)
<b>Experience gains and losses on share of scheme liabilities:</b>	
Amount (£'000)	-
Percentage of present value of share of scheme liabilities	-%
<b>Total amount recognised in statement of total recognised surpluses and deficits:</b>	
Amount (£'000)	(6,507)
Percentage of the present value of share of scheme liabilities	(33.0%)

#### Movement in deficit during the year

	2003 £ '000
Association share of scheme liabilities at beginning of year	(100)
Movement in year:	
Current service cost	(922)
Curtailment loss	(27)
Contributions	824
Other finance costs	207
Actuarial (loss)	(6,507)
Association share of scheme liabilities at end of year	(6,525)

**ST ANNE'S SHELTER AND HOUSING ACTION**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2003

**26. PENSIONS (continued)**

**Revenue reserves**

	<b>2003</b>	<b>2002</b>
	<b>£ '000</b>	<b>£ '000</b>
As reported on SSAP 24 basis	2,613	2,170
FRS 17 pension liability (net of deferred tax)	(6,525)	(100)
On FRS 17 basis	<u>(3,912)</u>	<u>2,070</u>

**27. LEGISLATIVE PROVISIONS**

The Association is incorporated under the Companies Act 1948 to 1967 and has charitable status.