# The Congregation of the Daughters of the Cross of Liege

## St Elizabeth's Centre

### Annual Report and Financial Statements

31 March 2018

**Contents**

**Reports**


| | |
|---|---|
| Reference and administrative information | 1 |
| Management Team's report | 5 |
| Independent auditor's report | 16 |


**Financial statements**


| | |
|---|---|
| Statement of financial activities | 19 |
| Balance sheet | 20 |
| Statement of cash flows | 21 |
| Principal accounting policies | 22 |
| Notes to the financial statements | 26 |

## Reference and administrative information

### Information relating to the overall charity

| | |
|---|---|
| **Name** | The Congregation of the Daughters of the Cross of Liège |
| **Trustees** | Sister Veronica Hagen (Chairperson)<br>Sister Annette Clemence<br>Sister Anne Kelly<br>Sister Shirley Lowe (aka Sister Mary Agnes)*<br>Sister Mary McGinn (aka Sister Mary Geraldine)<br>Sister Patricia Ainsworth*<br>Sister Maureen O'Brien^<br><br>* Resigned 31 May 2018<br>^ Appointed 31 May 2018 |
| **Provincial Superior** | Sister Veronica Hagen |
| **Provincial Bursar** | Sister Mary McGinn (aka Sister Mary Geraldine) |
| **Company registration number** | 3492921 |
| **Charity registration number** | 1068661 |
| **Address** | 29 Tite Street<br>Chelsea<br>London<br>SW3 4JX |

## Reference and administrative information

### Information relating to St Elizabeth's Centre

#### Management Team

| | |
|---|---|
| **Sister Superior** | Sister Annette Clemence |
| **Chief Executive** | Mr James Connolly BA (Hons), MRICS |
| **Director of Education and Head of College** | Ms Sharon Wallin BEd, Diploma in IT, NPQG |
| **Director of Adult Services** | Ms Jill Rankin BSc Social Admin, Diploma in Man |
| **Director of Finance & IT** | Andrew Whitehead, BA, ACA |
| **Director of HR & Staff Development** | Ms Gail Christey MA, MBA, MCIPD |

#### Other officers

| | |
|---|---|
| **Clinical Services Manager** | Zoe Halliday Dip LDN, Mem NMC |
| **Head of Children's Care Services** | Ms Kathy Gentry BA (Hons) DipSW |
| **Head of School** | Mrs Samantha Steinke- Sanderson BA (Hons), QTS MUS, NPQH. |
| **Assistant Directors – Home** | Ms Susan Bristow<br>Ms Cheryl Allum-Clarke |
| **Head of Domiciliary Care** | Ms Cheryl Gow |

#### Committees

| | |
|---|---|
| **Main Advisory Committee** | Mr Peter Cousins FCA (Chairperson)<br>Sister Veronica Hagen<br>Sister Annette Clemence<br>Sister Elena Pettenuzzo (Resigned 20 March 2018)<br>Mrs Emma Robarts<br>Mr Paul Ives<br>Ms Claire Cook (Appointed 11 July 2017) |

## Committees

| | |
|---|---|
| **Home Advisory Committee** | Sister Veronica Hagen (Chairperson)<br>Sister Mary Agnes<br>Sister Annette Clemence<br>Mr Ray Asser<br>Ms Freda Kelly<br>Mrs Catriona Walsh |
| **Board of School Governors** | Sister Annette Clemence (Chairperson)<br>Sister Veronica Hagen<br>Sister Patricia Ainsworth<br>Mr James Conway<br>Mrs Samantha Steinke- Sanderson<br>Ms Sharon Wallin<br>Ms Dorli Newbery<br>Mr Graham McAndrew<br>Ms Lyn Dumayne (Appointed 9 May 2018)<br>Mr Paul Southcombe (Appointed 9 May 2018)<br>Ms Wendy Rabbitt (Resigned 19 March 2018)<br>Ms Kate Ong |
| **Board of College Governors** | Mr Robert Moore (Chairperson)<br>Sister Veronica Hagen<br>Sister Annette Clemence<br>Sister Mary McLaughlin<br>Ms Sharon Wallin<br>Mrs Delia Doyle<br>Mrs Margaret Travis<br>Ms Joanna Harling (Appointed 9 May 2018)<br>Ms Deborah Glanville (Appointed 9 May 2018) |

## Reference and administrative information

| | |
|---|---|
| **Operating address** | St Elizabeth's Centre<br>Perry Green<br>Much Hadham<br>Herts<br>SG10 6EW |
| Telephone | 01279 843451 |
| Facsimile | 01279 842918 |
| Web site | www.stelizabeths.org.uk |
| **Auditor** | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL |
| **Bankers** | CAF Bank<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ |
| **Solicitors** | Farrer & Co LLP<br>65 Lincoln Inn Fields<br>London<br>WC2A 3LH |
| | Stanley Tee & Co<br>6 High Street<br>Bishop's Stortford<br>Herts<br>CM23 2LU |

## Introduction

The Management Team presents its report with the accounts of The Congregation of the Daughters of the Cross of Liege, St Elizabeth's Centre for the year ended 31 March 2018.

The accounts are presented in accordance with the accounting policies set out on pages 22 to 25 therein and comply with The Congregation of the Daughters of the Cross of Liege's Memorandum and Articles of Association and the requirements of United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

## Structure, governance and management

### *Information relating to the Congregation*

*Constitution*

St Elizabeth's Centre is one of the charitable works of the Congregation of the Daughters of the Cross of Liege ("the Congregation"), a Roman Catholic religious congregation, founded in 1833 in Liege, Belgium. The Congregation in the British Isles is a charitable company limited by guarantee, incorporated on 15 January 1998 under company number 3492921 and registered under charity number 1068661.

Annual financial statements are prepared for the Congregation aggregating the works of its Daughter houses including St Elizabeth's Centre.

From 1 September 2018 the Congregation intends to transfer the activities and assets of St Elizabeth's Centre to a newly incorporated charity which will be called St Elizabeth's Centre. Some of the existing trustees will become new trustees and additional trustees will be appointed.

*Trustees of the Congregation*

There are between three and ten trustees who are trustees by reason of their respective offices within the English Province of the Congregation to which they belong. The offices referred to are the Provincial Superior, the Provincial Bursar and the members of the Provincial Council. Under the Constitutions of the Congregation, these offices are reviewed every 3 years. The appointments are made by the Superior General of the Worldwide Congregation who is based at the Mother House of the Congregation in Cheam, London. The names of the trustees together with changes since 1 April 2017 are shown on page 1 of the accounts.

As members of the Congregation the trustees' living and personal expenses during the year were borne by the Congregation. However, no trustee received any remuneration for services as a Trustee. No trustees had any beneficial interest in any contract with the centre during the year.

*Trustees of the Congregation*

The Trustees take responsibility for decisions relating to the acquisition, disposal or modification of any land or buildings owned by the Congregation.

**Structure, governance and management** (continued)

***Information relating to the Congregation*** *(continued)*

*Trustees of the Congregation (continued)*
The Trustees are represented on the St Elizabeth's Centre Main Advisory Committee by Sister Veronica Hagen, Sister Annette Clemence, and Sister Mary McLaughlin. Advice offered by the Main Advisory Committee is taken into account when the Trustees make decisions on matters of policy or strategy.

The Trustees attend conferences and seminars to keep themselves appraised of any changes in the relevant legislation or best practice regarding the governance of the Congregation. In addition, professional advice is extensively sought and relied upon by the Trustees particularly in the areas of law, finance and accounting and property and investment.

***Information relating to St Elizabeth's Centre***
The following information relates to the organisation and management of St Elizabeth's Centre. Responsibilities for the preparation of this report and the attached financial statements are set out in the Trustees' and Management Teams' Responsibilities Statement at the end of the report.

*Aims*
To manage and run St Elizabeth's Centre, Much Hadham which comprises a school and children's home for 5 -19 year olds, a college for 18-25 year olds (supported by a domiciliary care agency) and a residential care home with nursing. The Centre provides education, care and medical support to people of all ages who have epilepsy and other complex needs.

*Public Benefit*
Charity law requires the trustees of the charity as a whole to include in their annual report a confirmation that they have had regard to the guidance of the Charity Commission regarding public benefit. The trustees are also required to provide information which demonstrates how the charity meets the guidance.

In assessing compliance with this legal requirement, the aims and activities of St Elizabeth's Centre are considered in conjunction with those of the Sisters and the other charitable works of the charity. This report describes the aims and activities of St Elizabeth's Centre which the Management Team believe contribute significantly to the aims of the charity as a whole and meet the criteria established by the Charity Commission for assessing public benefit. In particular, where fees are charged for the services provided, the services are provided on the basis of need and the cost is met from public finances.

The sections of this report which set out aims, objectives, activities and achievements set out how St Elizabeth's Centre provides benefit to those who use its services.

**Structure, governance and management** *(continued)*

***Information relating to St Elizabeth's Centre*** *(continued)*

*The Environment*

The trustees are conscious of the Centre's corporate social responsibility to protect the environment. The Centre sources water from a borehole on site and generates a proportion of electricity used from a wind turbine on site. The Centre has adopted its own Environmental Sustainability Policy.

*Organisation*

The Main Advisory Committee meets six times a year and advises the Provincial Superior and trustees, on all aspects of the strategic direction and the monitoring of the work of the Centre. In addition there is a Home Advisory Committee and Boards of School and College Governors to advise on the operation of the Adult Care Home, School / Children's Home and College respectively. A Management Team consisting of the Sister Superior, Chief Executive, Director of Education, Director of Adult Services, Director of Finance and Director of HR and Staff Development undertake the routine management of the Centre.

*The Management Team*

The following members of staff (who comprise the key management of the Centre) were in office at 31 March 2018.

| **Management Team Members** | |
|---|---|
| Sister Annette Clemence | Sister Superior |
| Mr James R Connolly | Chief Executive |
| Ms Sharon Wallin | Director of Education and Head of College |
| Ms Jill Rankin | Director of Adult Services |
| Mr Andrew Whitehead | Director of Finance and IT |
| Ms Gail Christey | Director of HR and Staff Development |

James Connolly retired on 30 June. The trustees are in the process of appointing a new Chief Executive. The pay of the senior management team of the Centre is reviewed regularly and approved by the Trustees based upon independent external recommendation. The pay of the senior management team is benchmarked against other charities in the industry.

*Risk Management*

All major risks to which the Centre is exposed have been assessed including those relating to the specific operational aspects of the Centre, its investments and finances. The Management Team believe that by examining the operational and business risks faced by the Centre, and by monitoring reserve levels and ensuring proper systems of financial control are in place, they have established effective procedures and safeguards to mitigate all reasonably known risks.

The most significant risks are

- Residents suffer harm
- A safeguarding incident occurring

**Structure, governance and management** *(continued)*

***Information relating to St Elizabeth's Centre*** *(continued)*

*Risk Management continued*

- A fall in income suffered from local authorities and central government who are main funders, resulting in lower referrals and pressures on fee levels

We have been recognised for our comprehensive and robust safeguarding procedures and training during regulatory inspection.

We have employed an admissions officer and improved our assessment process and actively managed contracts with funders to mitigate this risk on income.

**Activities, Strategies, Objectives, Achievements and Performance**

***Activities***

St Elizabeth's Centre offers education, care and medical support to people of all ages who have epilepsy and other complex needs, on the basis of need regardless of religious, cultural or ethnic backgrounds. The Centre comprises:

- A residential non-maintained special school and children's home ("The School") for up to 80 boarding and day pupils up to the age of 19.

- A college ("The College") for those in the 18-25 age range who aspire to more independent lifestyles. The College has on site accommodation units for up to 30 learners.

- Domiciliary Care operates 12 supported living flats in nearby Bishops Stortford

- St Elizabeth's residential care Home with Nursing ("The Home") housing over 100 residents in a 'village' of modern bungalows and 12 supported living places in Bishops Stortford. Social enterprises and day services are provided for residents and external clients and there is a 5 bedded respite unit for external clients.

All the activities of the Centre are based around 'living and learning' and have Educational aspects as well as those that would be characterised as Health & Welfare.

***Strategies***

- The School - Achieve long term increases in the number of pupils, through the maintenance of modern well equipped accommodation and classroom facilities; good standards of education and care and through development of closer links with referring authorities.

- The College – Develop the College programme to meet changing learner needs and aspirations.

**Activities, Strategies, Objectives, Achievements and Performance (continued)**

***Strategies (continued)***

- The Home - To continue to work with funders to ensure that funding matches costs and continuously improve the service to meet the needs of residents. To improve living and learning opportunities for all residents and day clients through the social enterprises and day opportunities.

- To ensure that medical and therapy services meet the needs of residents, pupils and learners and meet funders expectations.

- To carry out long term plans to improve and upgrade the facilities to meet the needs of pupils, learners and residents.

- To exceed statutory expectations through inspection and other scrutiny and to ensure that all services are self funding and value for money.

- To maintain the Christian ethos of the Centre and provide care and support to all residents, learners and pupils living at the Centre and those attending as day placements or for respite care.

- To support appropriately the families and carers of pupils, learners and residents.

**Objectives, Achievement and Performance**

The unrestricted net income showed a deficit of £444k (2017 - deficit of £1,039k). There was a £29k surplus on restricted funds (2017 – surplus of £122k) resulting in an overall deficit of £415k (2017 £917k).

Income was maintained or improved in the Home residential, Day activities and the College and demand remains strong for these services. Income stabilised in the School and Children's Home following the move to 52-week provision.

There continue to be challenges in achieving inflationary fee increases for existing clients in the Home but fees for new clients meet current cost levels. This coupled with higher agency use in the Home due to staff vacancies through the year have given rise to a significant loss in the Home.

Plans are in train to reduce agency use through recruitment initiatives and also to renegotiate fees for long standing residents.

## Objectives, Achievement and Performance (continued)

| Objectives for 2017-2018 | Achievement |
|---|---|
| School – Increase the number of pupils attending the School and College | School pupil numbers increased from 41 in March 2017 to 46 on 1 April 2018. College fell from 27 in March 2017 to 18 on 1 April 2018. Applications for College places for next year are at an encouraging level. |
| College – Invest in staffing and development to achieve a rating of *good* from the next Ofsted inspection | Following an inspection In November 2017 Ofsted awarded the College a *good* rating with *outstanding* elements. |
| Home – Maintain or improve "Good" ratings of Adult Services, the College, Domiciliary Care Agency and the Health Agency | All services are currently rated good by CQC. |
| Home – Re-organise the provision of care at the bungalows to improve the quality and effectiveness of care services | Most residents have moved bungalows to join new, better matched peer groups. Some adult residents have moved into supported living in Bishop's Stortford. |
| Reduce the reliance on agency staff through increased recruitment and reducing staff turnover | The cost of agency staff fell by 12.8% in the year to 31 March 2018 compared to the prior year. However work is continuing to reduce this further. |
| Develop new facilities for the children and residents | A new outdoor classroom was completed in March 2018. The Adult Home has been extensively decorated and many changes made to accommodate the Home moves. |
| Open two new charity shops. | A new shop was opened in Braintree in September 2017 and Waltham Abbey in April 2018. |
| Launch fundraising for new bungalow build for the Home | The fundraising for the new bungalows has been launched with applications to key grant making trusts. |

***Volunteers***

Over 600 hours per week are donated by volunteers. The charity shops and other activities are supported by a number of locally recruited volunteers.

## Activities, Strategies, Objectives, Achievements and Performance (continued)

### Plans for Future Periods

- Increase occupancy in the Home and reduce the operating deficit
- Maintain the number School pupils and increase the number of College learners.
- Maintain rating of "Good" or better for all services
- Launch fundraising for new bungalows for adult care home
- Secure reduction in the use of agency staff across the Centre
- Complete the transfer of the activities to the new St Elizabeth's Centre charity by 1 September 2018

### Financial Review

The net (outgoing) incoming resources for the unrestricted funds were as follows:

| | | Charitable activities | | | Fundraising, shops and investments |
|---|---|---|---|---|---|
| | **Total £'000** | Home & Day Services £'000 | School & Children's Home £'000 | College & Domiciliary Care £'000 | £'000 |
| School, College and Home income | **20,752** | 10,316 | 6,201 | 2,961 | 1,274 |
| Cost of generating funds | **(30)** | — | — | — | (30) |
| Fundraising and trading | **(841)** | — | — | — | (841) |
| Charitable Activities | **(20,325)** | (11,477) | (5,812) | (3,036) | — |
| Net (expenditure) income before transfers | **(444)** | (1,161) | 389 | (75) | 403 |

The Centre made a deficit of £444k (2017 - £1.0m) with a deficit arising in the Home and the College offset by surplus in the School and from Fundraising and Retail activities.

Unrestricted income rose by £433k from last year. There was lower income from the Home as some vacancies were not filled while the reorganisation of the Home services took place. School and Children's Home income increased as pupil numbers grew and College income reduced slightly as there were fewer learners from September 2017. Shops sales grew by £73k and unrestricted donations by £44k.

Expenditure on charitable activities reduced by £192k to £20.3m. Home costs were £355k lower due to the lower occupancy. School costs were higher as a result of higher pupil numbers. College costs were lower due to lower learner numbers.

***Reserves Policy and Financial Position***

The Management Team is conscious of the need to balance the requirements of present clients and pupils of the Centre against those in the future. This means that they have to determine the level of reserves to be carried forward to invest in future development. The Management Team consider that, given the nature of the Centre's work, the target level of free reserves should be 3 months' annual expenditure.

The general fund reserves stand at 1.4 months of annual expenditure at 31 March 2018 (2017 – 0.91 months). The Management Team plan to reduce the operating deficit to ensure that there is a small surplus to ensure that the level of reserves increases to the target level.

Restricted funds of £226k a range of smaller projects for which we have received donations but have not yet incurred the expenditure.

Designated reserves of £19.1m principally comprise fixed asset fund representing all assets and liabilities connected to the fixed assets of the Centre.

**The Centre's Assets**

The acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

On 31 March 2018 some of the buildings that formed part of the Centre's assets that will not transfer to the new charity were transferred to the Congregation and the Convent building which formed part of the Congregation's assets but will transfer to the Centre was donated to the Centre. The value of assets transferring to the Centre exceeded the assets transferring to the Congregation by £249k.

In anticipation of the transfer of the Centres' asset and activities on 31 March 2018 1 September to the newly incorporated St Elizabeth's Centre, the Centre's land and buildings were revalued at 31 March 2018. The valuation is £18m lower than the carrying value at 31 March 2018.

**Fundraising**

During the year a total of £1,322k was raised (2017 - £1,279k) from donations, legacies, shops and fundraising activities of which £1,159k was from shops and £65k (2017- £158k) was for restricted purposes.

The Centre raises funds from many different activities.

The Centre engages with corporate partners to encourage their employees to raise funds and to volunteer to support the work of the Centre. Applications are made to grant making trusts for capital and other projects.

Our internal teams run events principally at the Centre to raise funds such as the Summer Fun Day. They also develop opportunities for people to raise money for us by participating in challenge events, overseas treks and similar events.

**Fundraising (continued)**

The Centre sends a newsletter to supporters who have expressed and interest in our work and organise raffles. The Centre does not make use of professional fundraising agencies.

The Congregation is registered with the Fundraising Regulator and is committed to adhering to the Fundraising Code of Practice.

Complaints are reported to the Fundraising Regulator in accordance with their timetable. There were no complaints in the last year. We have had no adjudications and have had no significant failures to comply with these standards. We have detailed policy and procedures in place and review compliance through audit and monitoring feedback and take corrective action where required.

The Centre asks its supporters if they would like us to keep in touch with them so we can update them on our work and how they've helped us. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes.

The Centre does not sell or exchange lists of data with any other charities or companies. Further details are on our website.

The Centre's fundraisers, have been briefed to protect people in vulnerable circumstances. If we encounter someone showing signs of distress, confusion or vulnerability our fundraisers are trained to politely end the conversation and refuse any donation offered in such circumstances. In the unlikely event of a donation being taken in such circumstances, we refund the donation

**Principal risks and uncertainties**

The Centre operates a system of annual planning and budgeting. Performance is monitored against the approved budget with the use of financial and non- financial metrics and targets.

Risks are identified by the Management team and senior managers and the likelihood and impact on the Centre assessed. Mitigating actions are identified and kept under review. The major risks are set out below.

| Risk | Mitigation |
|---|---|
| **Clinical quality** – Clients suffer harm or death as a result of inappropriate action or omission | • Robust clinical policies and procedures<br>• Staff training and development<br>• Clinical supervisions<br>• Monitoring visits and audits |
| **Services** – Services may be impacted by changes in commissioning intentions, competition and social care policy | • Engagement with key commissioners<br>• Review and updating of care model<br>• Diverse portfolio of services |

| | |
|---|---|
| **Financial** – Failure to secure adequate funding to maintain the quality of services | • Regular updating of fees from new admissions<br>• Ongoing negotiations with local authorities to secure cost of living increases<br>• Control and ongoing review of costs<br>• Diversified income from fundraising and retail activities |
| **Data and information security** | • Robust data protection and security policies<br>• Audit of data across Centre<br>• Training of staff and managers<br>• Incident reporting and monitoring |

**Trustees' and Management Team's Responsibilities Statement**

As explained in the principal accounting policies, these accounts deal only with the activities of St Elizabeth's Centre, and so do not include any other works of the Congregation.

Company law requires the trustees (who are directors of the company for the purposes of the Companies Act) to prepare audited accounts for each financial year for the Congregation as a whole. The Sister Superior, as their representative, is required by the trustees to prepare accounts of St Elizabeth's Centre and to have them audited. The Management Team has advised on the preparation of the accounts so that they give a true and fair view of the state of affairs of St Elizabeth's Centre, and its income and expenditure for that year. In preparing such accounts the Sister Superior is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Sister Superior, on behalf of the trustees, is responsible for keeping adequate records that disclose with reasonable accuracy at any time the financial position of the St Elizabeth's Centre. She is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Thanks**

We would like to record our thanks to all of our staff, volunteers and donors for their hard work, commitment and continuing support without which St Elizabeth's would not be able to offer the excellent life style and opportunities it does to the adults, young people and children who are placed in its care.

Signed on behalf of the Management Team:

Date of approval: 12 July 2018

## Report of the independent auditor to the members of The Congregation of the Daughters of the Cross of Liege ("the charitable company") and to the Sister Superior of St Elizabeth's Centre

### Opinion

We have audited the financial statements of St Elizabeth's Centre for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, and to the Sister Superior of St Elizabeth's Centre. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, and to the Provincial Superior, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of St Elizabeth's Centre's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### 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 charitable 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about St Elizabeth's Centre's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of St Elizabeth's Centre and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Management Team.

**Responsibilities of the Sister Superior**

As explained more fully in the statement of the Trustees' and Management Team's responsibilities, the Sister Superior, in conjunction with the charitable company's trustees, is 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 Sister Superior and trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Sister Superior and trustees are responsible for assessing St Elizabeth's Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate St Elizabeth's Centre or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Buzzacott LLP
Chartered Accountants and Registered Auditors
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

17/7/18

**Statement of financial activities** 31 March 2018

| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 funds £'000** | Total 2017 funds £'000 |
|---|---|---|---|---|---|
| **Income and expenditure** | | | | | |
| **Income from:** | | | | | |
| Donations and legacies | 1 | **76** | **42** | **118** | 138 |
| Other trading activities | 2 | **1,181** | **23** | **1,204** | 1,141 |
| Investment income | 3 | **17** | **—** | **17** | 21 |
| Charitable activities | 4 | **19,478** | **114** | **19,592** | 19,263 |
| **Total income** | | **20,752** | **179** | **20,931** | 20,563 |
| **Expenditure on:** | | | | | |
| Raising funds | | | | | |
| . Costs of generating donations and legacies | 5 | **30** | **—** | **30** | 62 |
| . Cost of goods sold and other costs | 6 | **841** | **—** | **841** | 790 |
| Charitable activities | | | | | |
| . Home and Day Services | 7 | **11,477** | **13** | **11,490** | 11,853 |
| . School & Children's Home | 7 | **5,812** | **137** | **5,949** | 5,500 |
| . College & Domiciliary Care | 7 | **3,036** | **—** | **3,036** | 3,275 |
| **Total expenditure** | | **21,196** | **150** | **21,346** | 21,480 |
| **Net (expenditure) income before contribution from Province and transfers** | | **(444)** | **29** | **(415)** | (917) |
| Contribution from Province | | **—** | **—** | **—** | 1,539 |
| Assets transferred from Province | 11 | **249** | **—** | **249** | **—** |
| Transfers | 16 | **688** | **(688)** | **—** | **—** |
| **Net income (expenditure) for the year** | 8 | **493** | **(659)** | **(166)** | 622 |
| **Other comprehensive income** | | | | | |
| Revaluation of Land and Buildings | 11 | **(18,285)** | **—** | **(18,285)** | **—** |
| **Net movement in funds** | | **(17,792)** | **(659)** | **(18,451)** | 622 |
| Funds at the start of the year | | **39,203** | **885** | **40,088** | 39,466 |
| **Funds at the end of the year** | | **21,411** | **226** | **21,637** | 40,088 |

**Balance sheet** 31 March 2018

| | Notes | 2018 £'000 | 2018 £'000 | 2017 £'000 | 2017 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **18,922** | | 37,463 |
| **Current assets** | | | | | |
| Debtors | 12 | **762** | | 1,539 | |
| Short term deposits | 13 | **1,045** | | 1,018 | |
| Cash at bank and in hand | 13 | **3,138** | | 2,531 | |
| | | **4,945** | | 5,088 | |
| **Creditors**: amounts falling due within one year | 14 | **(2,230)** | | (2,463) | |
| **Net current assets** | | | **2,715** | | 2,625 |
| **Net assets** | | | **21,637** | | 40,088 |
| **Represented by:** | | | | | |
| **Funds and reserves** | | | | | |
| Unrestricted funds | | | | | |
| . Designated funds | 15 | | **19,078** | | 37,619 |
| . General fund | | | **2,333** | | 1,584 |
| Total unrestricted funds | | | **21,411** | | 39,203 |
| Restricted funds | 16 | | **226** | | 885 |
| | | | **21,637** | | 40,088 |

Approved on behalf of The Congregation of the Daughters of the Cross of Liege

J. A. Clemence

12 - 7 - 2018

Approved on behalf of St Elizabeth's Centre Management Team

Approved on: 12 July 2018

**Statement of cash flows** Year to 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash provided by operating activities | A | **1,092** | 658 |
| **Cash flows from investing activities** | | | |
| Interest received | | **17** | 21 |
| Interest paid | | **—** | (8) |
| Purchase of tangible fixed assets | | **(475)** | (850) |
| **Net cash used in investing activities** | | **(458)** | (837) |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing net contribution from Province | | **—** | (116) |
| Cash contribution from Province direct to reserves | | **—** | 1,000 |
| **Net cash used in financing activities** | | **—** | (884) |
| **Management of liquid resources** | | **(27)** | — |
| **Increase in cash** | B | **607** | 705 |

## Notes to the statement of cash flows for the year to 31 March 2018.

### A Adjustment of net (expenditure) income before transfers to net cash inflow from operating activities

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Net expenditure before transfers | **(415)** | (917) |
| Non-cash contributions | **—** | (23) |
| Depreciation charge | **980** | 974 |
| Interest receivable | **(17)** | (21) |
| Interest payable | **—** | 8 |
| Increase in debtors | **777** | 483 |
| Increase in creditors | **(233)** | 154 |
| **Net cash inflow from operating activities** | **1,092** | 658 |

### B Analysis of cash and cash equivalents

| | At 1 April 2017 £'000 | Cash flows £'000 | **At 31 March 2018 £'000** |
|---|---|---|---|
| Cash at bank and in hand | 2,531 | 607 | **3,138** |
| Short term deposits | 1,018 | 27 | **1,045** |
| Total | 3,549 | 634 | **4,183** |

### Scope

The financial statements disclose only the movement in funds and state of affairs of St Elizabeth's Centre which is one of the charitable works of The Congregation of the Daughters of the Cross of Liege. They do not constitute statutory financial statements.

### Basis of preparation

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities FRS 102 SORP 2015'), the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102.

St Elizabeth's Centre is part of a charity which is a public benefit entity as defined by FRS 102.

### Assessment of going concern

The management have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period one year from the date of the approval of these financial statements.

The management have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of St Elizabeth's Centre to continue as a going concern. This is because they believe that they have sufficient reserves and resources to withstand any temporary drop in income or any additional unexpected liability.

### Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable.

Restricted grants and awards are included once the amount is known and receipt is probable.

Donated goods (with the exception of donated stock in the Centre's shops) are valued by the Management Team on the basis of their worth to the Centre, are included in the statement of financial activities in the year in which they are received.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenditure is inclusive of irrecoverable VAT.

Expenditure comprises the following:

a. The costs of raising funds include expenses incurred in generating income for the organisation, including the costs of fundraising events and the charity shops.

b. The costs of charitable activities comprise all the costs of carrying out the charitable objectives of St Elizabeth's. Costs incurred by central services departments are allocated based on the established use of each of the Home, School and College. Governance costs have been allocated to the costs of charitable activities. Governance costs are the costs associated with the governance arrangements of the Centre that relate to the general running of the Centre as opposed to those costs associated with fundraising or charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the Centre's activities.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personal development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the proportion of floor area occupied by the activity. Staff related costs are allocated in the same proportion as directly attributable staff costs.

**Tangible fixed assets**

All assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised.

There was a revaluation of freehold land and buildings at 31 March 2018 and the trustees included the values in the financial statements. The freehold land and buildings have been valued on a depreciated replacement cost basis. As required by SORP and FRS 102, these values will in future be updated on a regular basis.

**Tangible fixed assets** (continued)
Depreciation is calculated at the following annual rates in order to write down each asset to its estimated residual value over its estimated useful life:

| | |
|---|---|
| Freehold buildings | 3% on cost or revalued amounts |
| Furniture and office equipment | 10 - 33% on cost |
| Motor vehicles | 20% on cost |

No depreciation is provided on freehold land or assets under construction.

**Fund accounting**
The Restricted Funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed condition.

The Designated Funds are monies set aside out of General Funds and designated for specific purposes by the Management Team in consultation and agreement with the trustees. Designated Funds also include funds represented by tangible fixed assets and not available for general expenditure.

The General Fund represents unrestricted and undesignated monies used to fund working capital and which the Management Team in agreement with the trustees may use at their discretion in furtherance of the charity's objectives.

**Leased assets**
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the life of the lease.

**Cash**
Cash is held in bank accounts or in hand and money available on demand or term deposits with an expiry date within three months of the balance sheet date.

**Debtors**
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount paid in advance.

**Creditors**
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount St Elizabeth's Centre anticipates it will pay to settle the debt.

**Pension costs**
St Elizabeth's Centre operates a defined contribution pension scheme. The amounts charged represent the employers' contributions payable to the scheme in the year.

**Pension costs** (continued)

The Centre also contributes to the Teachers Pension Scheme which is an unfunded scheme and members contribute on a pay as you go basis. The Centre in unable to identify its share of the underlying net assets and liabilities of the scheme and accounts for its contributions as if it were a defined contribution scheme.

The Centre also contributes for a small number of staff to the Pension Trust Growth Fund which is a multi-employer fund. There are no longer any contributions in respect of current service. The centre makes contributions to the actuarial deficit and additional voluntary contributions.

The Centre has previously provided a defined benefits pension scheme providing benefits on final pensionable salary. The assets of the scheme are held and managed separately from those of the Centre by the Congregation. As the Congregation manage the responsibility for the assets and liabilities of the scheme no accounting entries are made in the financial statements of the Centre.

## 1 Donations and legacies

| | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|
| Donations | 76 | 42 | **118** | 127 |
| Legacies | — | — | — | 11 |
| Total 2018 | 76 | 42 | **118** | **138** |
| Total 2017 | 32 | 106 | **138** | |

## 2 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|
| Charity shops | 1,157 | — | **1,157** | 1,086 |
| Events | 24 | 23 | **47** | 55 |
| Total 2018 | 1,181 | 23 | **1,204** | **1,141** |
| Total 2017 | 1,089 | 52 | **1,141** | |

## 3 Investment income

| | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|
| Bank interest receivable | 17 | — | **17** | **21** |
| Total 2017 | 21 | — | **21** | |

## 4 Income from charitable activities

| | Unrestricted funds | | | | | |
|---|---|---|---|---|---|---|
| | Home and Day Services £'000 | School & Children's Home £'000 | College & Domiciliary Care £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
| **Government fees and grants** | | | | | | |
| Local Authorities (Social Services) | 8,118 | — | 1,855 | — | **9,973** | 10,578 |
| Local Education Authorities and Department for Education | — | 6,162 | 1,078 | 114 | **7,354** | 6,380 |
| Department of Work & Pensions | 99 | — | — | — | **99** | 124 |
| Health Authorities | 1,974 | — | — | — | **1,974** | 2,020 |
| | 10,191 | 6,162 | 2,933 | 114 | **19,400** | 19,102 |
| Rent | 12 | 6 | 4 | — | **22** | 15 |
| Day activity sales | 18 | — | — | — | **18** | 34 |
| Restaurant sales | 59 | 22 | 15 | — | **96** | 95 |
| Other | 36 | 11 | 9 | — | **56** | 17 |
| Total 2018 | 10,316 | 6,201 | 2,961 | 114 | **19,592** | 19,263 |
| Total 2017 | 10,932 | 5,152 | 3,093 | 86 | **19,263** | |

## 5 Cost of generating donations and legacies

| | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|
| Staff costs | 15 | — | **15** | 31 |
| Other costs | 15 | — | **15** | 31 |
| Total 2018 | 30 | — | **30** | **62** |
| Total 2017 | 62 | — | **62** | |

## 6 Cost of goods sold and other costs

| | Unrestricted funds £'000 | Restricted funds £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|
| Fundraising activities, including the costs of charity shops | | | | |
| . Cost of events | 10 | — | **10** | 10 |
| . Staff costs | 473 | — | **473** | 428 |
| . Property | 272 | — | **272** | 303 |
| . Other | 86 | — | **86** | 49 |
| Total 2018 | 841 | — | **841** | 790 |
| Total 2017 | 780 | 10 | **790** | |

## 7 Cost of charitable activities

| | Home & Day Services £'000 | School & Children's Home £'000 | College & Domiciliary Care £'000 | **Total 2018 £'000** | Total 2017 £'000 |
|---|---|---|---|---|---|
| **Staff costs** | | | | | |
| Academic | — | 859 | 511 | **1,370** | 1,176 |
| Residential | 6,573 | 2,550 | 1,224 | **10,347** | 10,775 |
| Day Services | 706 | — | — | **706** | 763 |
| Nursing | 680 | 464 | 160 | **1,304** | 1,454 |
| Support Services | 984 | 450 | 257 | **1,691** | 180 |
| Administration | 349 | 406 | 352 | **1,107** | 2,000 |
| | 9,292 | 4,729 | 2,504 | **16,525** | 16,348 |
| Facilities costs | 1,348 | 733 | 266 | **2,347** | 2,462 |
| Depreciation | 469 | 395 | 116 | **980** | 974 |
| Other | 381 | 91 | 151 | **623** | 844 |
| Total 2018 | 11,490 | 5,948 | 3,037 | **20,475** | 20,628 |
| Total 2017 | 11,853 | 5,344 | 3,347 | **20,628** | |

Costs incurred by Central Services departments are allocated based on the established use of each of the Home, School and College.

## 8 Net income (expenditure) before gains (losses) on investments

This is stated after charging:

| | Total 2018 £'000 | Total 2017 £'000 |
|---|---|---|
| Staff costs (note 9) | **17,013** | 17,064 |
| Auditor's remuneration | | |
| . Audit | **24** | 23 |
| Depreciation of tangible fixed assets | **980** | 975 |
| Operating lease rentals – land and buildings | **207** | 207 |
| Operating lease rentals – other | **95** | 105 |
| Interest on bank loan repayable in more than 5 years | **—** | 8 |

## 9 Staff costs, and Trustees' and Management Team members' remuneration

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Staff costs during the year were as follows: | | |
| Wages and salaries | **12,851** | 12,580 |
| Social security costs | **1,020** | 1,016 |
| Other pension costs | **308** | 306 |
| Employee costs | **14,179** | 13,902 |
| Agency costs | **2,834** | 3,162 |
| Total staff costs | **17,013** | 17,064 |

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Staff costs per function were as follows: | | |
| Cost of generating voluntary income | **65** | 31 |
| Shops | **423** | 398 |
| Operating activities | | |
| . Home | **8,358** | 8,716 |
| . School and Children's Home | **4,296** | 3,729 |
| . College | **807** | 837 |
| . Domiciliary Care | **1,451** | 1,663 |
| Support costs | **1,613** | 1,690 |
| | **17,013** | 17,064 |

It has not been possible to quantify the monetary value of the services of approximately 395 volunteers who give their time freely, providing a wide range of support to the children, residents and staff, and in participating in fundraising activities.

## 9 Staff costs, and Trustees' and Management Team members' remuneration (continued)

Employees who earned £60,000 per annum or more in the following ranges:

| | 2018 | 2017 |
|---|---|---|
| £60,001 - £70,000 | **2** | 1 |
| £70,001 - £80,000 | **2** | 1 |
| £80,001 - £90,000 | **—** | 1 |
| £90,001 - £100,000 | **1** | — |
| £100,001 - £110,000 | **1** | 1 |

No trustees received any remuneration or reimbursed expenses in respect of their services during the year (2017 - £nil).

Members of the Management Team are executive officers who were paid in accordance with their contracts of employment. No Sisters were remunerated by the Centre in either the year under review or the prior period.

***Key management personnel***

The aggregate remuneration including employer pension contributions for key management personnel for the year was £431,416 (2017: £432,171).

The average number of actual employees was as follows:

| | 2018 | 2017 |
|---|---|---|
| Part time (full time equivalents of 175 (2017: 154) | **317** | 281 |
| Full time | **376** | 409 |
| | **693** | 690 |

The average number of employees, calculated on a full time equivalent basis, analysed by function was as follows:

| | 2018 | 2018 | 2017 | 2017 |
|---|---|---|---|---|
| **School** | | | | |
| Academic | **30** | | 23 | |
| Children's Home | **91** | | 89 | |
| | | **121** | | 111 |
| **College and Domiciliary Care** | | | | |
| Academic | **16** | | 14 | |
| College residential and Domiciliary Care | **51** | | 53 | |
| | | **67** | | 67 |
| **Home** | | | | |
| Residential | **224** | | 245 | |
| Day services including social enterprises | **31** | | 35 | |
| | | **255** | | 280 |
| **Health Agency** | | **32** | | 34 |
| **Central services** | | **22** | | 20 |
| **Support** | | **48** | | 45 |
| **Management and Administration** | | **6** | | 6 |
| | | **551** | | 563 |

## 9 Staff costs, and Trustees' and Management Team members' remuneration (continued)

In addition, the cost of agency staff represents approximately 106 people (2017: 122 people) on a full time equivalent basis.

## 10 Taxation

As part of the Congregation of the Daughters of the Cross, a registered charity, the Centre is not liable to income tax or corporation tax on income and capital gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 11 Tangible fixed assets

| | Freehold land and buildings £'000 | Assets under construction £'000 | Furniture and equipment £'000 | Motor vehicles £'000 | **Total £'000** |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2017 | 37,694 | 489 | 2,769 | 433 | **41,385** |
| Additions | 28 | 425 | 22 | — | **475** |
| Assets transferred in | 1,057 | — | — | — | **1,057** |
| Assets transferred out | (759) | — | — | — | **(759)** |
| Assets brought into use | — | (663) | 663 | — | **—** |
| Revaluation | (21,163) | — | — | — | **(21,163)** |
| At 31 March 2018 | 16,857 | 251 | 3,454 | 433 | **20,995** |
| | | | | | |
| At cost | — | 251 | 3,454 | 433 | **4,138** |
| At valuation (2018) | 16,857 | — | — | — | **16,857** |
| | 16,857 | 251 | 3,454 | 433 | **20,995** |
| **Depreciation** | | | | | |
| At 1 April 2017 | 2,121 | — | 1,533 | 268 | **3,922** |
| Charge for year | | | | | |
| . School | 355 | — | 88 | 26 | **469** |
| . Home | 279 | — | 90 | 26 | **395** |
| . College | 74 | — | 40 | 2 | **116** |
| Assets transferred in | 100 | — | — | — | **100** |
| Assets transferred out | (51) | — | — | — | **(51)** |
| Revaluation | (2,878) | — | — | — | **(2,878)** |
| At 31 March 2018 | — | — | 1,751 | 322 | **2,073** |
| | | | | | |
| **Net book values** | | | | | |
| At 31 March 2018 | 16,857 | 251 | 1,703 | 111 | **18,922** |
| At 31 March 2017 | 35,573 | 489 | 1,236 | 165 | **37,463** |

In anticipation of the transfer of the assets of the Centre to the newly incorporated St Elizabeth's Centre charity, the freehold land and buildings were valued as at 31 March 2018 by Mark Gerold FRICS of Ernst & Young LLP. Valuations were in accordance with the requirements of the RICS Valuation Standards and Financial Reporting Standard 102.

## 14 Creditors: amounts falling due within one year

| | **2018 £'000** | 2017 £'000 |
|---|---|---|
| Suppliers | **485** | 610 |
| PAYE and social security | **262** | 267 |
| Other creditors | **258** | 268 |
| Accruals | **472** | 405 |
| Income received in advance | **753** | 913 |
| | **2,230** | 2,463 |

## 15 Designated Funds

The unrestricted funds of the Centre include the following designated funds which have been set aside by the Sister Superior and the Management Team for specific purposes.

| | At 1 April 2016 £'000 | New designations £'000 | Utilised/ released £'000 | **At 31 March 2018 £'000** |
|---|---|---|---|---|
| Building replacement fund | 156 | — | — | **156** |
| Fixed assets fund | 37,463 | — | (18,541) | **18,922** |
| | 37,619 | — | (18,541) | **19,078** |

The fixed assets fund represents the net book value of fixed assets, less outstanding development loans, which are used in the day-to-day work of the Centre and hence are not available for working capital.

A building replacement fund has been established to set aside funds for future refurbishment of Jubilee House.

## 16 Restricted funds

| | Other develop-ments £'000 | Congregation grants £'000 | **2018 £'000** | 2017 £'000 |
|---|---|---|---|---|
| Total income | 179 | — | 179 | 244 |
| Total expenditure | (150) | — | (150) | (122) |
| Net income before transfers | 29 | — | 29 | 122 |
| Transfer to/(from) unrestricted funds | (117) | (571) | (688) | (502) |
| Decrease in funds | (88) | (571) | (659) | (380) |
| **Balance at 1 April 2017** | 314 | 571 | **885** | 1,265 |
| **Balance at 31 March 2018** | 226 | — | **226** | 885 |

Other developments represents funds raised to redevelop the Centre and its activities less expenditure on the redevelopment to date.

**16 Restricted funds** (continued)

The Congregation Grants fund represents grants from the Congregation of the Daughters of the Cross of Liege to support the operations of the Centre. The balance of £571k represents a capital grant to improve facilities which was received and spent within the year.

The transfer of £108k to the General Funds represents the value of fixed asset additions funded from restricted income.

The transfer of £571k represents capital expenditure funded by a grant from the Congregation.

**17 Pension commitments**

St Elizabeth's Centre's makes contributions in respect of the current service of its employees to either the Teachers' Pensions Scheme or Scottish Widows.

The Scottish Widows scheme is a defined contribution scheme. The Centre matches employee contributions to the Scottish Widows scheme between 1% and 6%.

***Teacher's Pension Scheme (TPS)***

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay
- member contributions ranging from 7.4% to 11.7%
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The contribution rate was effective from September 2015 and remained unchanged for 2016/17. The next valuation of the scheme is expected in 2017/18 with any changes implemented from April 2019.

**17 Pension commitments** (continued)

St Elizabeth's Centre is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly it has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The contributions payable to the Scheme for the year were £81k (2017: £67k).

***St Elizabeth's Centre Final Salary Scheme***

St Elizabeth's previously operated a funded defined benefit pension scheme. Following consultation with the members, the scheme was closed to future accrual on 1 February 2014. The employer contributions for the year were nil (2017 - £nil).

The Congregation has taken over management of the assets and liabilities of the St Elizabeth's Centre Final Salary Scheme and as a result no accounting entries are recorded in the financial statements of the Centre.

***Pension Trust Growth Plan***

The Centre has contributed to the Pensions Trust's Growth Plan in respect of a number of employees. This is a multi-employer pension plan, which is funded and is not contracted out of the state scheme.

There is a potential debt on the employer that could be levied by the plan's trustee in the event of the employer ceasing to participate in the plan or the plan winding up.

During 2017/18 there was only one member of staff who continues to pay AVCs and the Centre paid £4k towards its share of the deficit of the multi employer scheme in the year ended 31 March 2018. This member of staff is expected to retire shortly and the Centre will cease to be a participating employer at that point.

The latest date for which an estimate of the Centre's share of the liabilities when the employer is available is 30 September 2015 at which time the Centre's share of the deficit stood at £73k. The liability at 31 March 2018 has been estimated at £70k.

**18 Leasing commitments**

***Operating leases***

At 31 March 2018 the charity had total commitments under non-cancellable operating leases for equipment as follows:

| | Land and buildings | | Other | |
|---|---|---|---|---|
| | **2018 £'000** | 2017 £'000 | **2018 £'000** | 2017 £'000 |
| Operating leases which expire: | | | | |
| Within one year | 9 | - | 1 | 1 |
| Within two to five years | 391 | 263 | 265 | 264 |
| More than 5 years | 541 | 592 | - | 19 |
| | 942 | 855 | 266 | 284 |

## 19 Contingent liabilities

There is a potential liability to repay government grants of £646,000 received towards the cost of Cookson and Chilton houses in the event of the sale of those houses. There are no plans to sell them.

There is also a potential liability to repay Housing Association grants in the event of the sale of the buildings constructed under the joint venture arrangements or in the event of a breach of the management agreements (see note 11). There are no plans to sell the buildings.

## 20 Capital commitments

The Centre had no capital commitments at 31 March 2018 (2017 – £nil).

## 21 Related parties

St Elizabeth's Centre is one of the charitable works of The Congregation of the Daughters of the Cross of Liege, a charitable company.

As permitted by Financial Reporting Standard 102, transactions with other charitable works of the charitable company have not been disclosed.

## 22 Analysis of net assets between funds

| | Building replace-ment fund £'000 | Fixed Assets fund £'000 | General fund £'000 | Total un-restricted funds £'000 | Restricted funds £'000 | **Total funds 2018 £'000** |
|---|---|---|---|---|---|---|
| Fixed assets | — | 18,922 | — | 18,922 | — | **18,922** |
| Cash resources | — | — | 3,957 | 3,957 | 226 | **4,183** |
| Other current assets | 156 | — | 606 | 762 | — | **762** |
| Creditors falling due within one year | — | — | (2,230) | (2,230) | — | **(2,230)** |
| **Total net assets** | 156 | 18,922 | 2,333 | 21,411 | 226 | **21,637** |
| **Unrealised gains included above** | | | | | | |
| On tangible fixed assets | — | 6,812 | — | 6,812 | — | 6,812 |
| | — | 6,812 | — | 6,812 | — | 6,812 |
| **Reconciliation of movements in unrealised gains and losses** | | | | | | |
| Unrealised gains at 1 April 2017 | — | 25,293 | — | 25,293 | — | **25,293** |
| Difference between historic cost depreciation charges and the actual depreciation charge calculated on the revalued amounts | — | 196 | — | 196 | — | **196** |
| Revaluation of fixed assets | — | 18,285 | — | 18,285 | — | **18,285** |
| Unrealised gains and losses at 31 March 2018 | — | 6,812 | — | 6,812 | — | **6,812** |

## 23 Post balance sheet event

In June 2018 the final member for which the Centre contributes to the Pensions Trust's Growth Plan retired which crystallises the liability, estimated at £70,000, due to the Centre ceasing to be a participating employer.