

St Monica Trust

Report of the Trustee and consolidated financial statements

Registered charity number 202151

Year ended 31 December 2019

Report of the Board and consolidated financial statements
Year ended 31 December 2019

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**Report of the Board and consolidated financial statements
Year ended 31 December 2019**

Report of the Trustee for the year ended 31 December 2019

The Council presents its annual report and the audited consolidated financial statements for the year ended 31 December 2019. This report consolidates the results of St Monica Trust and its subsidiaries St Monica Trading Limited and Somerdale Pavilion Trust.

The financial statements comply with the memorandum and articles of association and 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) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I Reference and administrative details of the Charity, its Trustee and Advisers

The Trust was founded by Henry and Monica Wills in 1925. The Trust is constituted by a Charity Commission Scheme sealed on 30 June 2005. The subsidiary St Monica Trading Limited was incorporated on 17 November 2017 and the subsidiary Somerdale Pavilion Trust was incorporated on 17 December 2018.

Registered Address of the Trust St Monica Trust
Cote Lane
Bristol
BS9 3UN

Charity Registration Number 202151

Names and addresses of other relevant organisations:

Trustee

St Monica Trustee Company Limited (a company limited by guarantee registered number 9357207) is the sole Trustee of St Monica Trust by virtue of the Charity Commission Scheme dated 19 December 2016. The directors of St Monica Trustee Company Limited, the Corporate Trustee, have ultimate responsibility for the administration of the charity and are regarded for internal governance purposes as being a trustee. The Directors are referred collectively in this report as the Council of St Monica Trust, the members of which served throughout the year and since the year-end and are set out below:

The Council

Mr C A Griffiths was elected President and Chair of the Trust in October 2015, (resigned 24 June 2020).

| | |
|---------------------------------------|--|
| Mrs S P Cooper | Professor J McGeehan CBE |
| Mr M Bothamley | Mr T S Ross - appointed President 24 June 2020 |
| Mr R T Wynn-Jones | Mrs D J England |
| Mr J H Kane – deceased September 2019 | Dr A D Garrad CBE |
| Dr R P H Wilde | Mr A T Yates |
| Lady Wills | Mrs S Darwall Smith DL |
| Miss H Morgan – appointed March 2019 | Venerable C A Froude – appointed March 2019 |

Report of the Trustee for the year ended 31 December 2019 (continued)

Members of the Council serve for three years, being eligible for re-election for up to three periods. The Scheme provides for the appointment by the Council of six members of Council, six nominations by the Society of Merchant Venturers of Bristol (SMV) and three members nominated respectively by the Bishops of Bristol, Gloucester and Bath & Wells. Sir David Wills Bt was elected Patron of the Trust upon retiring as a Trustee on 30 June 2006.

Chief Executive

The Trust appointed Mr D Williams as Chief Executive in April 2015. Mr Williams joined the Trust from the Accord Group, where he was Executive Director for Health Care and Support. Previously, Mr Williams worked as Head of Strategy and Service Development for Housing 21 and has also held senior positions with a number of other leading charities.

Management of the Permanent Endowment

The Endowment of St Monica Trust includes the investment fund of the Trust from which an income is derived and utilised for charitable purposes. This investment fund is managed on the Trust's behalf by the Society of Merchant Venturers of Bristol ("SMV") in its capacity as Endowment Trustee of the Trust. The Society was incorporated by Royal Charter in 1552 by King Edward VI with amendments by subsequent monarchs in 1566, 1639, 1643, 1665, and 1988.

The Society of Merchant Venturers, as Endowment Trustee of St Monica Trust, base the investment strategy and asset allocation on the financial requirement of the Trust as recommended by the Endowment Trustees' Investment Strategy Group. In turn, the Finance and Investment sub Committee and the Estates and Property sub Committee have particular management and advisory responsibilities for the endowment and report directly to the Investment Strategy Group. In addition, the SMV Audit Committee scrutinises the endowment and other related accounting processes. The overall investment objectives are subject to the approval of the Council.

| | | |
|-----------|---|--|
| Auditor | KPMG LLP 66 Queen Square Bristol BS1 4BE | |
| Bankers | NatWest Bank plc 32 Corn Street Bristol BS99 7UG | Lloyds Bank Canon's House, Canon's Way Bristol BS99 7LB |
| Solicitor | Womble Bond Dickinson (UK) LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ | |

**Report of the Board and consolidated financial statements
Year ended 31 December 2019**

Report of the Trustee for the year ended 31 December 2019 (continued)

Investment Adviser

Cambridge Associates
80 Victoria Street
Cardinal Place
London
SW1E 5JL

Commercial Property Managing
Agent

Alder King LLP
Pembroke House
15 Pembroke Road
Bristol
BS8 3BA

Agricultural Estates and Land
Steward

Savills
14 Cirencester Office Park
Tetbury Road
Cirencester
GL7 6JJ

Report of the Trustee for the year ended 31 December 2019 (continued)

2 Structure, Governance and Management of the Group

History

The trust was founded by Henry and Monica Wills in 1925.

The group is structured as three entities – the parent charity St Monica Trust and its wholly owned subsidiaries St Monica Trading Limited (incorporated on 17 November 2017) and Somerdale Pavilion Trust (incorporated on 17 December 2018). The parent conducts the charitable operations. St Monica Trading Limited was established to conduct the commercial operations undertaken at St Monica Trust’s retirement village at Keynsham. The current activities being undertaken by the company include the sale of food in the B Block Café and Somer Dining Restaurant and secondly, the provision of leisure services. These services are available to residents and members of the general public. Somerdale Pavilion Trust was established to provide and maintain a pavilion, playing fields and other facilities for the use of the inhabitants of Keynsham and the surrounding areas.

Governing instrument and objects

The Trust is constituted by a Charity Commission Scheme sealed on 30 June 2005.

An amendment to the Trust’s governing document was granted by the Charity Commission on 26 February 2010. The objects of the Trust, defined in clause 4 of the Scheme, which should be referred to for exact details, are from this date:

“The objects of the charity are, for the public benefit, the relief of those individuals (and if appropriate their spouses) who are in need by reason of age, disability or ill-health by the provision of:

- (a) accommodation and associated facilities; and/or
- (b) other services or assistance”.

Organisational structure

The Council has delegated the day-to-day running of the Trust to seven principal committees, the Finance and Development Committee, the Care Committee, the Operations Committee, the Community Fund Committee, the Audit Committee and the Trustee Nominations Committee. Membership of these committees at the year-end was as follows:

The Finance and Development Committee

The Committee is responsible for overseeing the financial management and performance of the Trust including the establishing of annual budgets and liaising with the Endowment Trustee in relation to financial planning. It is also responsible for overseeing new developments and monitoring of the building work involved in ongoing projects.

Mr C A Griffiths – President, Ex Officio
Mr A T Yates – Chair
Professor J McGeehan CBE
Mr R T Wynn-Jones
Mr T S Ross
Dr A D Garrad CBE

Report of the Trustee for the year ended 31 December 2019 (continued)

The Care Committee

The Committee is responsible for overseeing the welfare and care of residents; and for carrying out monthly regulation inspections of the care homes, the care and support services and the sheltered housing facilities.

Mr C A Griffiths – President, Ex Officio
Dr R P H Wilde – Chair
Mrs S Darwall Smith DL
Lady Wills
Mr T S Ross
Mrs S P Cooper
Venerable C Froude
Miss H Morgan (co-opted Trustee)

Operations Committee

The Committee is responsible for overseeing all day to day operational activities including the effective management of the Trusts villages and Trust resources. Areas of responsibility include review and oversight of the provision of high quality effective and efficient services to residents and the recruitment, retention and training of staff.

Mr C A Griffiths – President, Ex Officio
Mr T S Ross – Chair
Mr M Bothamley
Mrs D J England
Mr R T Wynn Jones
Mr A T Yates
Professor J McGeehan CBE

The Community Committee

The Committee is responsible for overseeing the provision of financial assistance, grants and gifts to individuals and organisations in the community in order to assist those with a physical disability or long-term health problem.

Mr C A Griffiths – President, Ex Officio
Mrs S Darwall Smith DL – Chair
Lady Wills
Dr R P H Wilde
Mrs S P Cooper
Mr M Bothamley
Mrs C Duckworth DL (co-opted)

Report of the Trustee for the year ended 31 December 2019 (continued)

The Audit Committee

The Committee is responsible for ensuring there is a framework for accountability, for examining and reviewing relevant systems and methods of control, both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with all relevant aspects of the law, regulations and good practice.

Mr C A Griffiths – President, Ex Officio
Mr M Bothamley
Mr A T Yates

The Trustee Nominations Committee

The Committee is responsible for nomination to Council of new Trustees.

Mr C A Griffiths – President, Ex Officio
Dr R P H Wilde

Trustee induction and training

The Corporate Trustee is appointed in accordance with the provisions of the Scheme of St Monica Trust. The Directors of the Company are regarded for the internal governance purposes as being a Trustee of the Charity. On appointment each Trustee signs a Code of Conduct and attends induction meetings with other Trustees and Executives. Trustees are given a Trustee Handbook, which includes the Trustee Code of Conduct, the Charity Commission Scheme, a copy of the Risk Register and procedures on issues such as delegation of authority, recruitment, equal opportunities, investment, reserves and conflict of interest and other guidance. This information contains role descriptions of Trustees and senior executives and a copy of the Charity Commission leaflet CC3. New Trustees meet with the President and Chief Executive and are invited to an induction tour of each of the Trust's locations. According to their skills and aptitude, they take responsibility for at least one area of activity by appointment to a sub-committee of the Council. Training needs are assessed and met.

Report of the Trustee for the year ended 31 December 2019 (continued)

Senior Staff Pay policy

The Trust recognises the importance of transparency and accountability in all aspects of our work and we are committed to open information. This includes transparency about our Executive Team's salaries and how they are set.

The Trustee considers the Council and sub-committees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 27 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the Charity's Chief Executive is reviewed annually and normally increased in accordance with average earnings. The remuneration is bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Risk assessment

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities", the Council and the Society of Merchant Venturers of Bristol have examined the major risks faced by the Trust and the endowment respectively. They have developed systems to monitor and control these risks to mitigate the impact that they may have on the Trust in the future. Each Committee of the Council reviews aspects of the risks pertinent to that Committee. The Audit Committee is responsible for the overall review and update of the Risk Register at least once a year.

Financial risk management

The following statements summarise the Trust's policy in managing identified forms of financial risk:

- Price risk – The Trust negotiates contracts and fee rates to finance aspects of the Trust's activities and incorporates this information into its business plan. Salary costs are communicated to staff during the formal annual review of salaries. Prices of services and materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – credit risk on accounts owed to the Trust by its customers is low, as the majority of debtors are Local Authorities
- Liquidity risk – the Trust has borrowing facilities of £29.2m, £23.2m was drawn down as at 31 December 2019 (2018: £32.3m), of which £20.9m is long-term (2018: £3.2m).
- Interest rate cash flow risk – the Trust is able to place surplus funds in a short-term deposit account with its bankers.
- Investment market risk – the Trust invests in a diversified portfolio of investments and properties in order to spread the risk.

Report of the Trustee for the year ended 31 December 2019 (continued)

Going concern

The Trust's activities, together with the factors likely to affect its future development, performance and position are set out in this Report of the Trustee. The balance sheet on page 30 sets out the financial position of the Trust and its cash flows can be seen in the cash flow statement on page 29.

The Trust meets its day-to-day working capital requirements through the investment income from the permanent endowment and its overdraft facility. Development programmes are funded by short-term loans. The current economic climate creates uncertainty particularly over the level of income that will be received from the permanent endowment fund; however, the Trust's forecasts and projections, taking account of reasonably possible changes in income levels, show that the Trust will be able to operate within the level of its current facilities.

There are no material uncertainties about St Monica Trust and its subsidiaries' ability to continue as a going concern. Notwithstanding the Trust's £3.6m net current liabilities at the end of 2019, the Trustees consider that this does not represent a concern, given the overall level of the Trust's investments, and agreed borrowing facilities with Natwest Bank.

Based on the above, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Covid-19 pandemic

In March 2020, in response to Covid-19 and consistent with the provisions of the Trust's Business Interruption Policy, a Response Team was established to ensure that resources were focussed on the necessary Resident and Staff welfare measures to enable safe and sustainable service delivery. Measures taken to support Residents and staff include the recruitment, training and deployment of more than 150 new people to help services affected by staff shielding and self-isolation, and the purchase of unprecedented levels of Personal Protection Equipment, including face masks and clothing.

The consequence of the pandemic for the Trust, in financial terms, will be substantial but not a threat to sustainable service provision. The financial impact suffered by both care homes and independent living schemes relates to the scale of additional costs and to disruption to the property market.

For the duration of the pandemic, the Trust's Council has agreed that revised interim governance arrangements will operate, with meetings conducted using tele-conferencing facilities.

Related parties and connected charities

Details of related parties and connected charities and transactions with them are disclosed in note 27 to the financial statements.

Reserves

The accounting policies on pages 31 to 37 describe the various funds of the Trust. Note 21 to the Financial Statements shows the assets and liabilities attributable to the various funds by type and summarises the year's movement on each fund.

Report of the Trustee for the year ended 31 December 2019 (continued)

The Trustee policy is to build up unrestricted reserves to £28 million, as this figure is equivalent to approximately 12 months' projected operating costs of the Residential Care and Support and the Grants and Gifts objects. This will be achieved through retained surpluses on the Unrestricted Fund and will incorporate the value of the Designated Fund. At 31 December 2019 the value of unrestricted reserves was £21.7m (2018: £20.79 million).

Grant-making policy – Residents' subsidies and support in the community

Applications for subsidies against full fees for residents and grants to support the community are monitored by the Council.

3. Objectives, Activities, Achievements and Performance

(A) Overview

St Monica Trust reviews its aims, objectives, activities and performance on a regular basis. 2019 was the fourth year of a 5 year strategic plan for the period 2016 - 2020. The primary goals of the strategic plan are:

Service

We want residents and customers to have the best possible experience in all that we do.

People

We want to develop an organisational culture that attracts, motivates and supports our people to deliver responsive services that meet the needs of our customers and residents now and in the future.

Business and Resources

Through ensuring financial and organisational sustainability we will deliver certainty and security for our customers and staff.

Growth

We will grow the trust in order to impact positively on more people's lives through increasing opportunities for innovative services, offering value for money and through staff development.

In support of the strategic plan process, the Trust has developed a detailed year three Implementation and Monitoring Schedule which identifies the work targets and actions inherent in delivering the strategic plan. Such a schedule is a working document for the Executive Team and is reviewed on a regular basis by the Trustees.

Now in its second full year of operation, The Chocolate Quarter achieved an occupancy rate of 95% for its resale accommodation and all floors at Charterhouse care home are fully open. In September 2019, the St Monica Trust took over the day-to-day running of the Somerdale Pavilion site through a separate charity, the Somerdale Pavilion Trust. The St Monica Trust also acquired the 0.5 acre brownfield site located between the Somerdale Pavilion and Block C of the Chocolate Quarter

Report of the Trustee for the year ended 31 December 2019 (continued)

(B) The focus of our work

2019 saw the St Monica Trust enter the penultimate year of its five-year strategic plan, which aims to ensure that the Trust maintains its position as a leading provider of innovative services for older people across its area of operation. The development of the organisation over the last decade has directed the Charity into new territory within the care sector. In many ways, the Trust is now unrecognisable from the organisation that began this new millennium. However, the principles of charity and compassion established by our founder, Dame Monica Wills, continue to guide the Trust.

Supporting 16,640 older people with 1,650 staff across five retirement villages and community-based services, the Trust has extended its offering to support a wider range of needs than ever before. Coupled with the work of Community Giving in awarding gifts and grants to individuals, families and other organisations, it is evident that the work of the Trust is making a real difference in the lives of many people in Bristol and the surrounding area.

Having cultivated a reputation for high quality care and support, the Trust has continually challenged approaches to service delivery, fostering innovation in new developments and has maintained a clear position as a pioneer within the industry which has been recognised through awards and other accolades. The financial strength of the Trust has facilitated this radical thinking and allowed the Charity to act upon its ideas and concepts.

(C) The strategies we use to deliver our objectives

The objectives of St Monica Trust focus the work of the Charity on older people and adults with a physical disability or long-term illness. The **mission statement** of the Charity **‘Working together to support and celebrate the lives of older people’** the strategies we use to meet such objectives include:

- Providing **retirement housing/sheltered housing accommodation** all of which is disability-friendly and capable of supporting individuals in wheelchairs.
- **‘Extra Care’ Housing** in partnership with Bristol City Council and North Somerset Council. This concept is a fresh approach to the provision of accommodation and support for older people. Service users enjoy the comfort of living within their own home as an alternative to entry into a care home and are thus afforded greater choice and independence and the stimulation of a lively environment in which to live.
- **Care and Support** – many people prefer to ‘stay put’ as their care needs increase. A programme of Care and Support can be provided that enables individuals to maintain their independence within their own home. A 24-hour Care and Support service is available within the Trust’s own retirement housing settings and a community-based scheme is operated by the Trust across many areas of Bristol.

Report of the Trustee for the year ended 31 December 2019 (continued)

- High quality **nursing and residential care** are key elements of the support provided by the Trust. In addition to long-term care, short-term places are available to give a carer a much-needed break, or for those recovering following an operation or period of hospitalisation, and as a 'safe haven' for those older people facing an emergency or breakdown in their normal care arrangements. Many elements of our short-term care are operated in partnership with the NHS and local authorities.

In recent years, caring for people living with **Alzheimer's disease and other forms of dementia** has become a central feature of the services offered by the Trust. This highly specialist care is provided in safe and positive environments where activities and therapies are a regular part of daily life.

- **Care at Home** – 2019 was the seventh full year of operation of the Trust's Homecare Service. During this year and with the decrease in European workers coming to the UK following Brexit, the Trust has continuously struggled to recruit the necessary skilled staff to enable it to deliver the amount of care hours required to breakeven, the service has continued to be reliant on the receipt of subsidy from the endowment fund in order to fully cover its costs. The Trust views this service as vital in allowing older people the choice to remain in their own homes and as an introductory service to the Trusts many other services. There are however a number of key challenges facing the Trust during 2019/20, these include changes in health service and local authority commissioning behaviour in the light of continued government austerity measures, the increased competition within the sector to attract core populations of private funders and what it perceives to be a worsening position in terms of recruiting at a local level. There will also be further challenges for the service due to the impact of the ongoing coronavirus pandemic.
- **The Community Impact Team** – In 2019 the Trust brought together the Community fund and the Community Development Team to create the Community Impact Team with the aim of working with organisations and individuals to improve the wellbeing of older people across the West of England. Under the newly appointed Director of Community Impact, the team has developed a strategic approach to work within 2 broad themes: Community Giving and Community Connections.

Through our Community Giving work, we provide individuals over 40 with a long-term disability or illness gifts of essential items and/ or short term to offer support through a crisis, which is paid at a level which will not affect benefits or tax credits.

The Trust also offers support to organisations working with older people across Bristol, Bath and North East Somerset, North Somerset and South Gloucestershire. While we continue to provide financial assist, during 2019/19 we have developed a "funder plus" model which sees the Community Impact Team working alongside funded organisations to use our resources more effectively and offer support that is more just funding.

The Trusts Community Connections work focuses on developing ongoing relationships with organisations, individuals, stakeholders and decision makers across the region in order to contribute to collectively improving the wellbeing of older people in the area.

Report of the Trustee for the year ended 31 December 2019 (continued)

The Trust is a founder member of the Bristol Older People's Funding Alliance that takes a more strategic approach to grant giving for older people, encouraging collaboration with the aim of maximizing the funding available in the city.

- **Recruitment and retention of staff**

St Monica Trust aims to recruit and retain a high calibre workforce in order to deliver the high quality of care that we have built our reputation upon.

Recruiting the 'right' people that share the Trust's values is equally as important as recruiting people with the right skills. We offer a competitive pay and benefits package and are continually reviewing ways of improving this. We ensure employees are supported in the workplace using an annual performance management process that cascades organisational objectives and focuses on personal development at regular intervals during a 12-month period. We aspire to be a high-quality employer.

The Trust prides itself on its training and development provision for employees, employing an in-house team of skilled trainers that deliver tailored training both internally to St Monica Trust staff and externally to other care providers; and we are also an accredited assessment centre for health and social care qualifications. All colleagues must complete a comprehensive mandatory training programme upon appointment and undertake regular updates to stay up to date. Tailored training is provided upon request to teams to target specific areas of need.

Delivering well-being for older people is the Trust's mission statement; this aim also extends to the well-being of colleagues. Promoting the health and well-being of colleagues is not only seen as a positive staff retention initiative but also contributes to the quality of care provided to residents/customers in terms of promoting continuity of care through reduced absenteeism, and improved staff morale.

Part of sharing and believing in the Trust's values is about colleagues being 'engaged' with the Trust. In 2017 we launched our formalised staff consultation programme "eXplore" through which we aim to increase the engagement of colleagues through effective internal communications promoting two-way communication; initiatives such as our annual staff awards process to promote colleague recognition and opportunities for career development. An important element of communication is the Trust's 'whistleblowing policy' which encourages staff to communicate with relevant managers any concern they may have relating to any aspect of care.

Report of the Trustee for the year ended 31 December 2019 (continued)

(D) Public benefit and maximising access to our services

The Trustee of St Monica Trust has referred to the Charity Commission's general guidance on public benefit when reviewing and planning the work of the Charity. The concern of the Trustees has been to ensure that the Trust, in servicing the needs of older people, has due regard to the particular needs of those individuals within the beneficiary group who live in poverty.

Whilst all persons who receive support from the Community Fund are individuals who can be regarded as in financial need, people who access our other services emanate from a range of socio-economic backgrounds. The legal and regulatory framework in relation to payment by the state for care remains firmly rooted in a system of means testing. For example, any individuals who have money or assets in excess of £23,250 will find themselves responsible for meeting the cost of living in a care home.

When approximately 75% of the population over 65 years own their own property, quite clearly the welfare state assumes financial responsibility for only a percentage of people who need care. Thus, along with other voluntary organisations, the Trust engages with people in need of a service, some of whom can afford the fee and others who are unable to meet such costs. The traditions and the philosophy of the Trust, and indeed the guidance of the Charities Act 2011, ensure that the Trust makes provision for individuals who are unable to pay the fees for relevant services and thus are able to benefit and not be excluded from the Trust's services.

In 2019, the Trust helped 16,440 (2018: 6,994) people, of which 14,857 or 90.4% (2018: 5,449 or 78%) were afforded financial support by the Trust.

Of the total above, the Trust helped 1,865 individuals in 2019 (2018: 1,825) in its residential care services (care homes and retirement villages), of which 31% or 569 (2018: 33%, 604 people), were afforded financial support by the Trust. The Trust's Care at Home service also assisted 287 individuals in their own home (2018: 324).

The Trust also helped 408 individuals (2018: 433) in financial need through its Individual Givings scheme plus a further 500 people (2018: 809) directly through the activities of its Community Impact Team. In addition, a further 13,380 (2018: 3,603) people benefitted indirectly from the Trust's financial support for local, community-based organisations.

(E) The following objectives were established in 2019:

The year 2019 was the fourth year of a five-year strategic plan. The strategic plan will enable the Trust to respond to an increasingly competitive market environment, continued economic austerity coupled with a growing population of older people with increasing complex needs. So, the Trust has committed to delivering against the objectives set in year 1 of the strategic plan, under the following objectives:

- Service - customers
- People - colleagues and volunteers
- Business - and resources
- Growth - and development

Report of the Trustee for the year ended 31 December 2019 (continued)

THEME I: Customers

- We will develop an internal quality system and processes to help our care services to achieve “Good” and “Outstanding” in CQC ratings.
The internal quality system has been established and is lead by the Trust’s Clinical Director. Following its inspection in July 2019, John Wills House became the first of the Trust’s services to be rated as ‘Outstanding’ by the CQC. Overall, the Trust achieved a CQC ‘Good’ rating in all but one service in inspected in 2019.
- We will continue to devolve decision-making powers to the villages by rolling out village councils and continuing the development of the Site Executive Teams across all sites.
Village councils and Site Executive Teams have been established and are operating across all of the Trust’s sites.
- We will invest £1.5 million in 2019 for the continued enhancement programme across our sites.
As well as the continuation of enhancements to individual accommodation within the Trust’s villages, a convenience shop has been established in Brookmead Arcade at The Chocolate Quarter, the cricket pavilion at Westbury Fields has been repurposed as a meeting space and a bar has been created for residents in Monica Wills House’s restaurant.
- We will direct resources to implementing technologies that will enhance the day-to-day experience for residents and customers.
Funding has been agreed to establish a transformation programme to develop a clear strategy for technological innovation across the Trust’s sites and services. This will be aligned to proposed changes in the Trust’s process and practices, with a separate team created to implement the transformation programme.
- We will use the “What matters to you” initiative to identify the resources needed to support residents and customers.
Due to the current pandemic, this objective will be moved back for inclusion in the Trust’s next strategic plan.
- We will build on our local and national reputation for being a leader in community integration projects.
The St Monica Trust has taken over the chairing of Healthier Together, a local sustainability and transformation partnership involving 12 other health and care organisations. Healthier Together represents a commitment to improving health and care in Bristol, North Somerset and South Gloucestershire.
- We will explore the implementation of more flexible financial options for residents within our villages.
A pilot scheme has been created to introduce the surrender fee for new lease holders at the Trust’s Cote Lane site. However, the implementation of the pilot scheme has been postponed due to the coronavirus pandemic.
- We will commence work on defining the Trust’s model for dementia-friendly communities.
Led by the Trust’s Dementia Lead, dementia care at the Russets has been remodeled under the principles of the Green House Project to reflect a more holistic approach to support those who are living with dementia.

Report of the Trustee for the year ended 31 December 2019 (continued)

THEME 2: People – Colleagues and volunteers

- We will continue to create a great place to work by developing and supporting leaders and aspiring leaders to behave in a way that aligns with our vision and values.
A dozen managers from various disciplines have been supported through a leadership coaching and mentoring programme using an external leadership coach. It was intended that the learning through this intervention would be used to shape a more comprehensive leadership development programme for leaders and aspiring leaders in 2020.
- We will attract more people with the right skills and values by improving the candidate journey and offering opportunities for young people to start their career.
The recruitment process was reviewed and a number of small continuous improvement changes made to improve the candidate journey. Our work experience programme and links with schools and colleges were both extended during 2019 to raise the profile of social care.
- We will continue to review our structures and job roles in order to make the best use of the skills we have available and to ensure that people have the opportunity to develop within the organisation.
Due to the current pandemic, this objective will be moved back for inclusion in the Trust's next strategic plan.
- We will explore more flexible systems of bank working in order to promote a consistent experience for our customers, offer flexible working and reduce the Trust's reliance on agency.
The Trust is now employing the services of a single agency provider across all services under a block contract for agency usage. Regular working hours for bank colleagues have also been guaranteed.
- We will increase colleague engagement by communicating and celebrating our unique contribution we make in improving the lives of older people's communities across the region.
The Trust's Marketing and Communication team created a national digital campaign to celebrate the work being done by organisations across the UK to bring together different generations and tackle social isolation. Remodelled in the face of the coronavirus pandemic, Intergenerational Week was launched on 23 March, 2020 and was supported by more than 100 organisations, including Age UK, the National Care Forum and GoodGym.
- We will support colleagues' working lives by enhancing their ability to take advantage of the Trust's existing technology.

This objective falls under the remit of the Transformation Team whose aims include improving colleague's working lives by reducing bureaucracy and manual tasks through embracing technological advancements

THEME 3: Business and Resources

- We will be looking to maintain good and outstanding quality services across the Trust, whilst achieving £240,000 savings to improve the financial performance of the Trust.
These savings have been achieved and John Wills House was the first of the Trust's services to achieve an overall 'outstanding' rating from the CQC.

Report of the Trustee for the year ended 31 December 2019 (continued)

- We will further develop our business planning and review processes for new developments and service expansion.
In September 2019, the St Monica Trust took over the day-to-day running of the Somerdale Pavilion site through a separate charity, the Somerdale Pavilion Trust. The St Monica Trust also acquired the 0.5 acre brownfield site located between the Somerdale Pavilion and Block C of the Chocolate Quarter. The proposed expansion of Westbury Fields on the former DEFRA site has been put on hold to enable services at The Chocolate Quarter to become fully embedded in the local community.
- We will publish how the Trust's charitable subsidy is spent and measure how this benefits our residents, customers and the wider community.
Produced in conjunction with the Research and Development and Marketing and Communications teams, the Trust's first-ever Social Impact Report was published in June 2019.
- We will review our business continuity plan to ensure that we have contingency plans in place to respond to a Brexit worst-case scenario.
The Trust's business continuity plan was reviewed in response to a projected Brexit worst case scenario and a potential worldwide pandemic. This planning was utilised in February 2020 to keep the Trust operational during the coronavirus pandemic.
- We will demonstrate through benchmarking that we are maximising the use of our charitable financial resources.
In 2019, the Trust led a benchmarking exercise, between Belong, Greensleeves Care and the Order of the St John Care Trust, to compare and contrast how their respective head offices functions were organised to deliver strategy.
- We will publish a Trust-wide sustainability strategy.
This objective has been rolled-over to 2020/21.
- Our electronic staff rostering system will be standardised before the end of 2019 across all operations in order to plan staff resources.
Due to the current pandemic, this objective will be moved back for inclusion in the Trust's next strategic plan.
- We will explore the development of specialist procurement to ensure that we realise maximum value for money on our purchases.
Due to the current pandemic, this objective will be moved back for inclusion in the Trust's next strategic plan.

THEME 4: Growth and development

- In 2019 we will involve stakeholders in the development of a finalised plan for the land at Westbury Fields.
This has been achieved and a detailed DEFRA accommodation report was presented to Trustees in December 2019. However, the proposed expansion of Westbury Fields on the former DEFRA site has been put on hold to enable services at The Chocolate Quarter to become fully embedded in the local community.

Report of the Trustee for the year ended 31 December 2019 (continued)

- We will implement the Community Impact strategy that brings together community development and the Community Fund and increase Community Fund giving to £800,000. The Trust appointed a Director of Community Impact in 2019 and this objective has been implemented.
- We will open a health and social care academy in the Keynsham area in 2019. The Trust took over the running of the Somerdale Pavilion in September 2019. As part of the first phase of establishing a health and social care academy at the location, the Trust's Training and Development team has relocated its operations to the top floor of the Somerdale Pavilion.
- In 2019 we will explore land purchases for expansion opportunities attached to existing sites.
In September 2019, the St Monica Trust took over the day-to-day running of the Somerdale Pavilion site through a separate charity, the Somerdale Pavilion Trust. The St Monica Trust also acquired the 0.5 acre brownfield site located between the Somerdale Pavilion and Block C of the Chocolate Quarter. The proposed expansion of Westbury Fields on the former DEFRA site has been put on hold to enable services at The Chocolate Quarter to become fully embedded in the local community.
- Together we will review our organisational structures to ensure that they provide a firm foundation for the future growth of the Trust.
This objective has been rolled-over to 2020/21.
- We will invest in ensuring that we deliver essential technology infrastructure across the Trust's Transformation Team will introduce and review new automation technologies to help increase efficiencies by reducing bureaucracy and manual tasks.
- We will publish our plan for how we use research to improve the lives of older people within our villages, local communities and nationally.
The St Monica Trust's Research strategy was published in 2020 and an electronic version was made available for download on the Trust's website.
- We will start the implementation of our plans to enhance and promote the Trust's brand. Work was completed in 2019 on updating the Trust's brochureware and the launching of Community Impact. Unfortunately, the communication of the new brand strategy was closely tied to the celebrations marking the Trust's 100th anniversary and subsequently both have been postponed due to the coronavirus pandemic.

Report of the Trustee for the year ended 31 December 2019 (continued)

- **Positive work of the Community Impact Team**

The St Monica Trust Community Impact Team aims to ease the financial pressure and improve the daily lives of older people or those who have a physical or sensory impairment, or a long-term physical health problem need financial help. This is because they are more likely to be on a low income and face additional costs, such as high heating bills or special diets. The St Monica Trust Community Impact Team aims to ease the financial pressure and improve the daily lives of older people, individuals and families by helping them to buy the essential things they need or supporting them through a crisis.

In 2019, the team operated in the following manner:

| | |
|-----------------------------------|--|
| Requests received | 789 gift and grant requests received (2018: 763) |
| Gifts awarded | 342 gifts awarded worth £161,085 (2018: £134,835) |
| Short-term grants | 137 new short-term grants awarded 51 people receiving a short-term grant at the year end Value of short-term grants: £57,630 (2018: £86,505) |
| Organisations | Grants were awarded to 35 organisations worth £296,350 (2018: 32 organisations; £283,451) including the CAB Residents Advice Service and Active Ageing Bristol. Active Ageing Bristol is a collaboration between St Monica Trust, The Anchor Society and Bristol Sport Foundation providing a specially targeted programme to enable more people from the local area and over the age of 55 to become in regular physical activity, coaching and volunteering. 2019 saw the fourth year of our successful collaboration with Quartet Community Foundation, providing grants to Organisations working with older people in North Somerset. Since its launch in 2016, £160,000 has been granted to 20 Organisations. 2019 saw the second funding round of the Bristol Older Peoples Funding Alliance. This partnership of Bristol based funders enabled groups working with older people in Bristol, to access a joint funding of £135,000. |
| People helped | At least 408 individuals were helped directly and many more were helped through the work of organisations funded. This included 13,380 individuals supported by SMT funding. |
| Community Development Team | £114,197 (2018: £101,832) |
| Total net giving | £629,262 (2018: £606,623) |
| Operating Costs | £136,724 (2018: £96,729) |
| TOTAL COMMUNITY FUND COST | £765,986 (2018: £703,352) |

Report of the Trustee for the year ended 31 December 2019 (continued)

The Community Impact Team have continued to be involved with the delivery of a number of external projects. Projects delivered in 2019 are:

- Culmination of Community Development project in Bedminster/Southville (ended Summer 2019)
- The Stockwood Communities in Transition project funded by Bristol Ageing Better until December 2019
- Continuation of Befriending Scheme in Bedminster/Southville and Stockwood, Sandford and surrounding villages
- The ACE Neighbours programme funded by LinkAge
- The ACE Neighbours programme, funded by Sport England through Bristol City Council

The objectives and achievements of the Endowment Trustee were as follows:

The objectives for the year:

- Agricultural property investments: To attain an average annual real (inflation adjusted) total return of at least 3% over the long term (measured over rolling 10 year periods).
- Financial investments: To attain an average annual real (inflation adjusted) total return of at least 3% over the long term (measured over rolling 10 year periods) and to outperform a composite benchmark measured over 3 year rolling periods.

The composite benchmark for allocation of financial investments is as follows:

| % | Benchmark |
|-----|---|
| 40% | MSCI World Index |
| 15% | Barclays Global Aggregate Bond Index (Hedged) |
| 17% | FTSE All-Share Index |
| 15% | HFRI Fund of Funds Diversified Index |
| 8% | MSCI Emerging Markets Index |
| 5% | FTSE Hi-Yield Cash-Pay Capped Index |

- Income: To provide the Trust with £6.5 million net unrestricted income for 2019.

Achievements for the year have been as follows:

Summary: The market value of St Monica Trust's investments managed by the Endowment Trustee increased by 8.6% from £263 million at 31 December 2018 to £286 million at 31 December 2019. This includes investments managed directly by St Monica Trust of £24.0m (2018: £20.7m) (see note 14).

Report of the Trustee for the year ended 31 December 2019 (continued)

Asset Allocation: The broad asset allocation at 31 December 2019 was:

Agricultural property – 56%

Commercial property – 3%

Financial investments – 36%

Other investments – 0%

Cash on deposit – 5%

This accords with the broad target asset allocation of 60% property and 40% financial investments.

Agricultural Property Investments:

For the 10 years to 31 December 2019 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 9.0% per annum for the 10 years against the inflation + 3% benchmark of 5.1%.

Financial Investments:

A detailed financial investment strategy has been produced to provide the required income for the Trust's operations, both short and long term, and to ensure future capital growth. By using the advisory management of Cambridge Associates, the Endowment Trustee has been able to interview and select the best managers from a wide section of the investment market and so diversify the risk.

The composition of the portfolio was fairly stable in 2019 with full redemption of JPM Strategic Income (£3.6m) and investment in PIMCO GIS Income as a direct replacement.

For the 10 years to 31 December 2019 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 7.8% per annum for the 10 years against the inflation +3% benchmark of 5.1%.

For the 3 years to 31 December 2019 the portfolio returned 4.8% (2018: 7.3%) against the benchmark of 6.9% (2018: 7.8%). This performance was slightly below benchmark due to market sentiment favouring capital growth as opposed to income generation and there is a bias within the portfolio to value style investing to support the income requirements of the Trust.

Income:

The Endowment Investments provided the Trust with £6.84m (2019: £6.54m) of net unrestricted funds in 2019 against a target of £6.5m, an excess of £0.3m. For the three years to 31 December 2019 the Endowment Investments provided the Trust with £19.6m against the target of £19.1m, an excess of £0.5m.

Report of the Trustee for the year ended 31 December 2019 (continued)

4. Financial review

The Trust's financial position at the end of 2019 was strong, with unrestricted reserves of £21.7 million (2018: £20.8 million) and net assets of £304.3 million (2018: £289.4 million). The Trust is reliant on the unrestricted income from the Permanent Endowment, which in 2019 was £6.8 million (2018: £6.5 million) compared with the target for the year of £6.5 million (2018: £6.0 million).

Subsidiary company results

These statements include the second year of trading activity for St Monica Trading Limited. The principal activity of the company is to undertake the commercial operations at the Trust's retirement village at Keynsham. The current activities include catering and leisure facilities offered to residents and members of the general public. The trading result for the year was a profit of £0.1m which will be used to support the Trust's charitable objectives.

These statements include the first four months of trading activity for Somerdale Pavilion Trust. The principal activity of the company is to provide and maintain a pavilion, playing fields and other facilities for the use of the inhabitants of Keynsham and the surrounding areas.

5. Plans for future periods

The Trust will deliver the following objectives in 2020:

By the end of 2019, the planning of the St Monica Trust's business strategy for the next five-year period was at an advanced stage. Five core themes had been identified as follows:

- Efficiency
- Sustainability
- Structure
- Transformation
- Quality

Adopting these core themes would enable the Trust to analyse what the organisation stands for, establish where the primary focus of the charity's activities lies, ensure that its business models are fit for purpose and set the strategic aims for the Trust's services.

However, the impact of the coronavirus epidemic which struck the UK in February 2020 has led to a dramatic reassessment of the Trust's strategic aims. The Trust's primary objective in 2020 has been formulating its response to Covid-19 and protecting the health and well-being of our residents, colleagues and volunteers from the virus. For the last five months all of the Trust's resources have been fully focused on maintaining its frontline services.

In terms of planning, the Trust's Executive Team is formulating a recovery programme for the organisation from the impact that coronavirus has had on its services, finances and structure. In the immediate aftermath of the first wave of coronavirus, the Trust is facing an increase in risk from three main areas of concern. These are: a collapse in the lease hold cycle, falling occupancy

Report of the Trustee for the year ended 31 December 2019 (continued)

levels and an increase in mortality rates. Bearing in mind the seriousness of these increased risks, it is anticipated that the coronavirus recovery programme will run for three years, taking the Trust up to the period 2022/23. The Executive Team will have the recovery programme agreed and in place by the end of 2020.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Report of the Trustee confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all the steps that he/ she ought to have taken as a Trustee to make himself/ herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditors

St Monica Trust, Board of Trustees re-appointed auditors KPMG LLP at its Board meeting held on 22 October 2020

By order of the Board



Mr Timothy Ross
President of the Council

22 October 2020

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent auditors' report to the Trustee of St Monica Trust

Opinion

We have audited the group and charity financial statements of St Monica Trust ("the charity") for the year ended 31 December 2019 which comprise the consolidated statement of financial activities (including income and expenditure account), charity statement of financial activities, consolidated cash flow statement, consolidated and parent charity balance sheets and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2019 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charity or to cease their operations, and as they have concluded that the group and charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charity will continue in operation.

Independent auditors' report to the Trustee of St Monica Trust (continued)

Other information

The trustees are responsible for the other information, which comprises Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 23, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the charity'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 they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

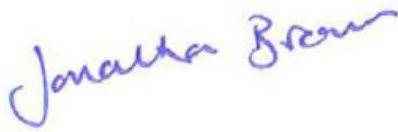
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditors' report to the Trustee of St Monica Trust (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 23 October 2020

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

Report of the Board and consolidated financial statements
Year ended 31 December 2019

Consolidated statement of financial activities (including an income & expenditure account) for the year ended 31 December 2019

| | Note | Unrestricted Funds | Designated fund | Restricted funds | | Total Funds 2019 | Total Funds 2018 |
|---|-----------|--------------------|-----------------|------------------------|---------------------------|------------------|------------------|
| | | | | Other restricted funds | Permanent endowment funds | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | | | |
| Income from charitable activities | | | | | | | |
| Residential care and support | | 30,693 | - | - | - | 30,693 | 28,048 |
| Accommodation income | | 1,166 | 549 | - | - | 1,715 | 4,739 |
| Generated funds | | | | | | | |
| Investment income | 4 | 9,091 | - | 5 | - | 9,096 | 7,571 |
| Total income | | 40,950 | 549 | 5 | - | 41,504 | 40,358 |
| Expenditure | | | | | | | |
| Costs of raising funds | | | | | | | |
| Investment management charges | 6a | (41) | - | - | (696) | (737) | (734) |
| Property operational costs | 6b | (1,417) | - | - | - | (1,417) | (844) |
| Commercial trading operations | 6c | (45) | - | - | (169) | (214) | (396) |
| Total costs of generating funds | 6 | (1,503) | - | - | (865) | (2,368) | (1,974) |
| Charitable activities | | | | | | | |
| Costs in furtherance of the Trust's objects | | | | | | | |
| Residential care and support | 7 | (37,531) | - | (5) | (1,903) | (39,439) | (37,327) |
| Accommodation costs | | (654) | - | - | - | (654) | (2,652) |
| Community support | | (766) | - | - | - | (766) | (703) |
| Governance | 8 | (55) | - | - | - | (55) | (60) |
| Total charitable expenditure | | (39,006) | - | (5) | (1,903) | (40,914) | (40,742) |
| Total expenditure | | (40,509) | - | (5) | (2,768) | (43,282) | (42,716) |
| Net income/(expenditure) before investment gains/ (losses) | | 441 | 549 | - | (2,768) | (1,778) | (2,358) |
| Realised and unrealised gains on investments | 14 | - | - | 42 | 17,396 | 17,438 | (5,938) |
| Net income/(expenditure) before transfers and net income/(expenditure) for the year | | 441 | 549 | 42 | 14,628 | 15,660 | (8,296) |
| Transfers between funds | 9 | (344) | 290 | - | 54 | - | - |
| Actuarial gain/(loss) on defined benefit pension | 28 | - | - | - | (740) | (740) | 316 |
| Net movement in funds | | 97 | 839 | 42 | 13,942 | 14,920 | (7,980) |
| Total funds brought forward | | 16,601 | 4,192 | 314 | 268,249 | 289,356 | 297,336 |
| Total funds carried forward | 21 | 16,698 | 5,031 | 356 | 282,191 | 304,276 | 289,356 |

Incoming resources and resulting net movement in funds in each year arise from continuing operations. The group has no recognised gains or losses for the current or previous year other than those shown above.

**Report of the Board and consolidated financial statements
Year ended 31 December 2019**

**Charity statement of financial activities
for the year ended 31 December 2019**

| | Note | Restricted funds | | | | Total Funds 2019 | Total Funds 2018 |
|---|------|--------------------|-----------------|------------------------|---------------------------|------------------|------------------|
| | | Unrestricted Funds | Designated fund | Other restricted funds | Permanent endowment Funds | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | | | |
| Income from charitable activities | | | | | | | |
| Residential care and support | | 30,316 | - | - | - | 30,316 | 27,945 |
| Accommodation income | | 1,166 | 549 | - | - | 1,715 | 4,740 |
| Generated funds | | | | | | | |
| Investment income | 4 | 9,091 | - | 5 | - | 9,096 | 7,571 |
| Total income | | 40,573 | 549 | 5 | - | 41,127 | 40,256 |
| Expenditure | | | | | | | |
| Costs of raising funds | | | | | | | |
| Investment management charges | 6a | (41) | - | - | (696) | (737) | (734) |
| Property operational costs | 6b | (1,417) | - | - | - | (1,417) | (844) |
| Commercial trading operations | 6c | (45) | - | - | (169) | (214) | (396) |
| Total costs of generating funds | 6 | (1,503) | - | - | (865) | (2,368) | (1,974) |
| Charitable activities | | | | | | | |
| Costs in furtherance of the Trust's objects | | | | | | | |
| Residential care and support | 7 | (37,239) | - | (5) | (1,903) | (39,147) | (37,327) |
| Accommodation costs | | (654) | - | - | - | (654) | (2,652) |
| Community support | | (766) | - | - | - | (766) | (703) |
| Governance | 8 | (55) | - | - | - | (55) | (57) |
| Total charitable expenditure | | (38,714) | - | (5) | (1,903) | (40,622) | (40,739) |
| Total expenditure | | (40,217) | - | (5) | (2,768) | (42,990) | (42,713) |
| Net income/(expenditure) before investment gains/ (losses) | | 356 | 549 | - | (2,768) | (1,863) | (2,457) |
| Realised and unrealised gains on investments | 14 | - | - | 42 | 17,396 | 17,438 | (5,938) |
| Net income/(expenditure) before transfers and net income/(expenditure) for the year | | 356 | 549 | 42 | 14,628 | 15,575 | (8,395) |
| Transfers between funds | 9 | (344) | 290 | - | 54 | - | - |
| Actuarial gain/(loss) on defined benefit pension | 28 | - | - | - | (740) | (740) | 316 |
| Net movement in funds | | 12 | 839 | 42 | 13,942 | 14,835 | (8,079) |
| Total funds brought forward | | 16,502 | 4,192 | 314 | 268,249 | 289,257 | 297,336 |
| Total funds carried forward | 21 | 16,514 | 5,031 | 356 | 282,191 | 304,092 | 289,257 |

Incoming resources and resulting net movement in funds in each year arise from continuing operations. The charity has no recognised gains or losses for the current or previous year other than those shown above.

Report of the Board and consolidated financial statements
Year ended 31 December 2019

Consolidated cash flow statement for the year ended 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|--|------|----------------|-----------------|
| Cash flows from operating activities | | | |
| Net (expenditure)/income | | 14,920 | (7,980) |
| Interest receivable | | (2,840) | (2,401) |
| Depreciation of tangible assets | | 2,576 | 2,588 |
| Profit on disposal of accommodation | | (511) | (1,642) |
| Losses/(gains) on investment assets | | (17,438) | 5,938 |
| Actuarial gains on pension scheme less contributions paid | | 664 | (410) |
| Change in trade and other debtors | | 4,648 | (15,011) |
| Change in stocks | | (14) | (6) |
| Change in trade and other creditors | | 13,444 | 10,507 |
| | | <hr/> | <hr/> |
| Net cash (used in)/from operating activities | | 15,449 | (8,417) |
| Cash flows from investing activities | | | |
| Interest received | | 19 | 4 |
| Dividend income received | | 2,821 | 2,397 |
| Purchase of tangible fixed assets | | (3,970) | (4,818) |
| Proceeds from sale of tangible fixed assets | | 1,165 | 4,292 |
| Purchase of investments | | (15,199) | (8,544) |
| Decrease in fixed asset investment cash deposits | | (1,237) | 4,181 |
| Proceeds from sale of investments | | 11,144 | 24,124 |
| | | <hr/> | <hr/> |
| Net cash from/(used in) investing activities | | (5,257) | 21,636 |
| Cash flows from financing activities | | | |
| Repayment of bank loans | | (9,091) | (11,761) |
| Loan drawdowns | | - | - |
| | | <hr/> | <hr/> |
| Net cash (used in)/from financing activities | 25 | (9,091) | (11,761) |
| Movements in cash and cash equivalents in the reporting year | | 1,101 | 1,458 |
| Cash at bank and in hand at beginning of year | | 5,305 | 3,847 |
| | | <hr/> | <hr/> |
| Cash at bank and in hand at end of year | 25 | 6,406 | 5,305 |

Report of the Board and consolidated financial statements
Year ended 31 December 2019

Consolidated and charity balance sheets at 31 December 2019

| | Note | Group | | Charity | |
|---|------|----------------|-----------------|----------------|-----------------|
| | | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Fixed assets | | | | | |
| Tangible assets | 13 | 149,448 | 148,708 | 149,445 | 148,708 |
| Investments | 14 | 286,039 | 263,309 | 286,039 | 263,309 |
| | | <u>435,487</u> | <u>412,017</u> | <u>435,484</u> | <u>412,017</u> |
| Current assets | | | | | |
| Stocks | 15 | 56 | 42 | 49 | 42 |
| Debtors | 16 | 17,350 | 21,998 | 17,442 | 21,998 |
| Cash at bank and in hand | | 6,406 | 5,305 | 6,142 | 5,305 |
| | | <u>23,812</u> | <u>27,345</u> | <u>23,633</u> | <u>27,345</u> |
| Creditors: due within one year | 17 | (27,380) | (51,512) | (27,382) | (51,611) |
| Net current liabilities | | <u>(3,568)</u> | <u>(24,167)</u> | <u>(3,749)</u> | <u>(24,266)</u> |
| Total assets less current liabilities | | <u>431,919</u> | <u>387,850</u> | <u>431,735</u> | <u>387,751</u> |
| Creditors: due after more than one year | 18 | (118,884) | (90,399) | (118,884) | (90,399) |
| Net assets excluding pension liability | | <u>313,035</u> | <u>297,451</u> | <u>312,851</u> | <u>297,352</u> |
| Pension liability | 27 | (8,759) | (8,095) | (8,759) | (8,095) |
| Net assets | | <u>304,276</u> | <u>289,356</u> | <u>304,092</u> | <u>289,257</u> |
| Permanent endowment fund net of pension liability | | 282,191 | 268,249 | 282,191 | 268,249 |
| Other restricted funds | 19 | 356 | 314 | 356 | 314 |
| Total restricted funds | | <u>282,547</u> | <u>268,563</u> | <u>282,547</u> | <u>268,563</u> |
| Designated fund | 20 | 5,031 | 4,192 | 5,031 | 4,193 |
| Unrestricted fund | | 16,698 | 16,601 | 16,514 | 16,501 |
| Total unrestricted funds | | <u>21,729</u> | <u>20,793</u> | <u>21,545</u> | <u>20,694</u> |
| Total funds | | <u>304,276</u> | <u>289,356</u> | <u>304,092</u> | <u>289,257</u> |

These financial statements were approved by the Board on 22 October 2020 and were signed on its behalf by:



Mr Timothy Ross
 President of the Council

Report of the Board and consolidated financial statements Year ended 31 December 2019

Notes

(forming part of the financial statements)

Accounting policies

Basis of preparation

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) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), which have been applied consistently.

St Monica Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Notwithstanding the Trust's net current liabilities of £3.6m at the end of 2019, the Trustees have prepared the financial statements on a going concern basis which they consider is appropriate for the following reasons.

The Trustees have reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the group and charity will have sufficient funds to meet its liabilities as they fall due for that period.

This has included modelling downside scenarios in which both the Trust's income is substantially reduced, and a larger than usual number of lifetime leases are surrendered triggering the requirement for the Trust to settle its liability to the leaseholder. In such an extreme downside scenario, the Trust has the option of liquidating some of its investment balances. Whilst the COVID-19 pandemic has negatively impacted the valuation of the investments, with the valuation falling to £85.1m at 30 June 2020 (from £101.2m at the balance sheet date), the Trustees note that of this balance, approximately 66% (£56.2m) could be liquidated within seven days. In the Trustees' view, whilst this would be an extremely unlikely scenario, this would permit the ongoing funding of the activities of the Trust for at least a year whilst also providing sufficient funds to meet any liabilities arising from the surrender of lifetime leases.

Consequently, the Trustees are confident that the group and charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

Basis of consolidation

These consolidated financial statements include the financial statements of St Monica Trust ("the charity") and St Monica Trading Limited and Somerdale Pavilion Trust ("the subsidiaries"). These financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line by line basis.

The trading results of the subsidiaries are disclosed in notes 2 and 3 to these financial statements.

Notes (continued)

(forming part of the financial statements)

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Trustees consider that besides the points listed below there are no other critical judgements or sources of estimation uncertainty requiring disclosure;

Investment properties

The valuation of investment properties is a critical accounting judgement in respect of the application of the Trust's accounting policies. The method by which the Trustees have assessed the fair value of the investment properties at year end is described in detail in note 14. The valuations are based on company data, including current rental rates, occupancy, terms and conditions of leases and upon market related assumptions such as yield and discount rates.

Leasehold Apartment Sales at The Chocolate Quarter

The established method of accounting for leasehold apartment sales is that receipts are held as a liability until conclusion of the lease as detailed in the Lifetime Lease Accounting Policy Note. At The Chocolate Quarter a lease is offered which provides the leaseholder with a choice between equity participation and fixed return. The accounting treatment of an equity participation lease is that the initial sale results in recognition of income and costs in the Statement of Financial Activities. The Trust has followed the general principle for income recognition in the Charities SORP and FRS 102.

Defined benefit pension scheme

The Trust has an obligation to pay pension benefits to certain employees and past employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including life expectancy, salary increases, and the discount rate on corporate bonds. The principal assumptions made by the Trust can be found in note 28. Management estimates these factors in determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends.

Donations and legacies

Dividends and interest on capital and income fund investments are included as income in the financial statements on an accruals basis.

Voluntary income

This is credited to the appropriate fund in the year in which it is receivable.

Government grants

These are credited to the appropriate fund in the year in which they are receivable.

Notes (continued)

(forming part of the financial statements)

Residential care and support

Fees from residents and other service-user income is credited to the unrestricted fund on an accruals basis.

Accommodation Income

The Trust offers leases to tenants at The Chocolate Quarter on a fixed repayment (i.e. the tenant will receive the price they paid on exit) or equity participation basis (i.e. the exit amount is driven by the market). Where the lessee opts for a fixed repayment, the proceeds are recognised as a liability in accordance with the lifetime leases accounting policy described on page 34. However, where the lessee opts for the equity participation arrangement, the Trust is under no obligation to repurchase the apartment until the property has been sold on to a new tenant.

Therefore, the proceeds from the initial sale of a property under an equity participation lease are recognised as income in the statement of comprehensive income, with a corresponding cost of sale recognised in accommodation costs.

Under both the fixed repayment and equity participation arrangements, the Trust becomes entitled to a surrender fee, payable at the end of the lease, which is accrued annually over the life of the lease. This is recognised within accommodation income in the statement of financial activities (SoFA) as it is earned.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs are allocated or apportioned to one of the functional categories of resources expended in the statement of financial activities.

- (a) Costs of generating funds relate to those costs incurred in the management of the fixed asset investments.
- (b) Costs in furtherance of the Trust's objects relate to those costs incurred in running and supporting the objects of the Trust.

Support costs

Support costs are apportioned to categories of expenditure, and only governance costs are separately disclosed.

Grants payable

Grants are awarded from the Community Fund and a detailed analysis and explanation of grants awarded has been provided in the Report of the Trustee.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

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Notes (continued)

(forming part of the financial statements)

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Tangible fixed assets

All expenditure on the acquisition, enhancement, production or installation of fixed assets for use by the Trust and all receipts of such assets by way of gift are capitalised and included in the balance sheet at cost. The freehold land and property is included in fixed assets at cost. Assets with a value below £1,000 are not capitalised.

Tangible fixed assets include apartments which may be disposed of within 12 months through an equity participation lease (see accommodation income accounting policy above).

Capitalisation of finance costs

All finance costs in respect of the bank loan obtained for the Keynsham, Westbury-on-Trym, Bedminster and Sandford developments up to the point when these developments commenced normal operations are capitalised within tangible fixed assets and are being amortised over the life of the asset to which they relate.

Depreciation

Depreciation is provided with the intention of writing off the costs of tangible fixed assets (to residual values) over their useful lives. The provision is calculated using the straight-line method at the following rates:

| | |
|--------------------------------------|----------------|
| Assets in the course of construction | Nil |
| Freehold buildings | 2% |
| Special building assets | 14% |
| Furniture and equipment | 12.5% to 33.3% |
| Motor vehicles | 25% |

Freehold land is not depreciated. The residual values of freehold buildings were revised by management during 2014. The revision resulted in a reduction to the depreciation expense of £1.4m in that year.

Impairment reviews

Impairment reviews are carried out annually which includes consideration of current selling price of properties against the carrying value of each asset.

Lifetime leases

The Trust provides a lifetime leasehold purchase scheme for up to 351 properties across four of its sites in which the lease operates for the duration of the purchaser's occupation of the property and then reverts to the Trust on their departure. The cash received under this scheme is returned to the lease holder or their estate when the lease is determined. The Trust, therefore, always has a liability

Report of the Board and consolidated financial statements

Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

to repay the full value of the lease proceeds, which is reflected in the balance sheet as amounts due to lifetime leasehold tenants. When a lease is determined, the Trust will sell the lease on to another purchaser under the same lifetime lease arrangement, thus restoring the funding and the liability to repay the value of the lease when, in turn, it is determined.

Lifetime leases (continued)

In addition the Trust has a further 136 leasehold properties at its site in Keynsham. The lessee has an option at this site to have a fixed repayment lease with the liability recognised as described in the above policy. However, where the lessee opts for an Equity Participation arrangement the accounting policy is as described in the Accommodation Income note on page 33.

Investments

Both current and fixed asset investments are stated at mid-market value at the balance sheet date. This is not in accordance with FRS 102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

All recognised gains and losses on investments are shown separately in the statement of financial activities. The investments in the subsidiary undertakings are stated at cost.

Investment properties

Investment properties are included in the balance sheet at their open market value on an existing use basis. The valuation is determined on the basis of professional advice. In accordance with FRS 102 investment properties are revalued annually and the aggregate surplus or deficit is included as an unrealised gain or loss within the permanent endowment fund. No depreciation or amortisation is provided in respect of freehold investment properties.

Stocks

Stocks consist of catering supplies and have been valued at the lower of cost and net realisable value.

Leased assets

Rentals in respect of operating leases are charged directly to the statement of financial activities on a straight line basis over the lease term.

Pension costs

The employees of the Trust are eligible to join a group personal pension plan with Aviva or with the National Employment Savings Trust (NEST). The Trust's pension contributions for current employees are charged to the statement of financial activities in the year in which the obligation to make contributions arises.

The Trust pays certain discretionary pensions, which are not funded under a closed defined benefit scheme. The pension liability in respect of this obligation is recognised in the balance sheet based on annual actuarial valuations. Actuarial gains or losses are included in the statement of financial activities.

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Notes (continued)

(forming part of the financial statements)

Further details in respect of unfunded pension liabilities are contained in note 28. The Trustees have confirmed with the Charity Commission that the pension liability may be treated as a deduction from the Permanent Endowment Fund, and, as a result, the Permanent Endowment Fund in the "Funds" section of the balance sheet is shown net of the estimated pension liability.

Basic financial instruments

(a) Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

(b) Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(c) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Permanent endowment fund

The permanent endowment fund incorporates the original endowment together with surpluses arising from disposals of investments, that element of gravel royalties which represents the depletion of the site and, by orders of the Charity Commission, the recoupment from income by annual contributions, over 25 years or 30 years, of capital expenditure made on real estate improvements and leasehold property.

Report of the Board and consolidated financial statements Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

Restricted funds

These are other funds for which the donor has specifically restricted the purpose for which they can be used. The amounts in the funds represent the monies still remaining for future expenditure. There are two restricted funds which are held by the Trust and explained in more detail below:

(a) Residents' legacy fund

These are funds donated by residents, which have restricted purposes for which they can be applied.

(b) Community support fund

These are funds donated by beneficiaries of the Trust's community support services, which have restricted purposes for which they can be applied.

Unrestricted fund

Operating income together with income arising from permanent endowment and unrestricted fund investments is credited to the unrestricted fund. The Charity Commission Scheme permits the fund to be applied towards contributions to the management expenses, the expenses related to running the operational activities, establishing a reserve fund and paying annuities and gifts. Any balance remaining may be accumulated for endowment purposes, but in practice is currently retained as unrestricted funds as explained in the reserves policy in The Report of the Trustee.

Designated fund

A designated fund exists to hold a proportion of the community fee and exit fees for the Equity Participation and Fixed Repayment leasehold options as detailed in the Accommodation Income accounting policy. These funds are set aside for future maintenance costs.

Subsidiaries

Details of subsidiary undertakings owned by the charity are disclosed in notes 2 and 3.

Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiaries, St Monica Trading Limited and Somerdale Pavilion Trust.

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Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

2 Trading subsidiary's results (St Monica Trading Limited)

St Monica Trading Limited was incorporated on 17 November 2017. The subsidiary's comparative figures below and within the 2018 consolidation are for the long period 17 November 2017 – 31 December 2018.

| | 2019 | 2018 |
|--|--------------|------------|
| | Total | Total |
| | £'000 | £'000 |
| Turnover | 844 | 641 |
| Cost of sales | (254) | (209) |
| Gross profit | <u>590</u> | <u>432</u> |
| Administration and other costs | (525) | (333) |
| Trading profit | <u>65</u> | <u>99</u> |
| Other income | - | - |
| Net income | <u>65</u> | <u>99</u> |
| Gift aid payment to St Monica Trust | - | - |
| Management charge from St Monica Trust | - | - |
| Tax on profit | - | - |
| Retained profit for the year | 65 | 99 |
| Retained profit brought forward | 99 | - |
| Retained profit carried forward | <u>164</u> | <u>99</u> |

Administration and Other Costs includes a Gift Aid payment to St Monica Trust of £98,595 in respect of the trading results for 2018.

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Notes (continued)

(forming part of the financial statements)

The assets and liabilities of the subsidiary were:

| | 2019 | 2018 |
|--|--------------|-----------|
| | Total | Total |
| | £'000 | £'000 |
| Fixed assets | - | - |
| Current assets | 168 | 103 |
| Creditors: amounts falling due within one year | (4) | (4) |
| Provisions for liabilities and charges | - | - |
| Net assets | 164 | 99 |
| Profit and loss reserve | 164 | 99 |
| Equity shareholders' funds | 164 | 99 |

Report of the Board and consolidated financial statements
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Notes (continued)

(forming part of the financial statements)

3 Trading subsidiary's results (Somerdale Pavilion Trust)

Somerdale Pavilion Trust (a company limited by guarantee) was incorporated on 17 December 2018. The subsidiary's figures below and within the 2019 consolidation are for the four-month period of activity for the period 2 September 2019 – 31 December 2019. This is the first year that Somerdale Pavilion Trust has been included within the consolidated accounts

| | 2019 |
|------------------------------------|-----------------------|
| | Total |
| | £'000 |
| Income | |
| Grant income | 67 |
| Charitable activities | 190 |
| Other trading activities | 96 |
| | <hr/> 353 |
| Expenditure | |
| Charitable activities | 310 |
| Other | 23 |
| | <hr/> (333) |
| Net income | <hr/> 20 |
| Net movement in funds | 20 |
| Total funds brought forward | - |
| Total funds carried forward | <hr/> 20 <hr/> |

Report of the Board and consolidated financial statements
Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

The assets and liabilities of the subsidiary were:

| | 2019 |
|--|--------------|
| | Total |
| | £'000 |
| Fixed assets | 3 |
| Current assets | 289 |
| Creditors: amounts falling due within one year | (272) |
| Net assets | 20 |
| Total restricted funds | - |
| Total unrestricted funds | 20 |
| Total funds | 20 |

4 Investment income

| Group and charity | 2019 | 2018 |
|---|--------------|-------|
| | £'000 | £'000 |
| (a) Unrestricted fund | | |
| Commercial investment properties | 2,075 | 1,068 |
| Agricultural investment properties | 4,181 | 4,102 |
| Listed and other investments | 2,725 | 2,291 |
| Interest on cash deposits | 19 | 4 |
| Other investments | 91 | 97 |
| | 9,091 | 7,562 |
| (b) Restricted funds | | |
| Distributions from CCLA Investment Management Limited | 5 | 9 |
| | 9,096 | 7,571 |

Report of the Board and consolidated financial statements
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Notes (continued)
 (forming part of the financial statements)

5 Analysis of total resources expended

Group

| | Staff costs | Depreciation | Other costs | 2019 | 2018 |
|--|--------------------|---------------------|--------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Costs of generating funds (note 6) | - | - | 2,368 | 2,368 | 1,974 |
| Charitable expenditure | | | | | |
| Residential care and support (note 7) | 28,105 | 2,576 | 8,758 | 39,439 | 37,327 |
| Accommodation costs | - | - | 654 | 654 | 2,652 |
| Community support | 238 | - | 528 | 766 | 703 |
| Governance costs (note 8) | - | - | 55 | 55 | 60 |
| | 28,343 | 2,576 | 9,995 | 40,914 | 40,742 |
| | 28,343 | 2,576 | 12,363 | 43,282 | 42,716 |

All support costs have been allocated to one charitable activity (Residential care and support).

Charity

| | Staff costs | Depreciation | Other costs | 2019 | 2018 |
|--|--------------------|---------------------|--------------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Costs of generating funds (note 6) | - | - | 2,368 | 2,368 | 1,974 |
| Charitable expenditure | | | | | |
| Residential care and support (note 7) | 27,906 | 2,576 | 8,665 | 39,147 | 37,327 |
| Accommodation costs | - | - | 654 | 654 | 2,652 |
| Community support | 238 | - | 528 | 766 | 703 |
| Governance costs (note 8) | - | - | 55 | 55 | 60 |
| | 28,144 | 2,576 | 9,902 | 40,622 | 40,742 |
| | 28,144 | 2,576 | 12,270 | 42,990 | 42,716 |

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Notes (continued)
(forming part of the financial statements)

6 Costs of generating funds

Group and charity

| | 2019 | 2018 |
|---|--------------|-------|
| | £'000 | £'000 |
| (a) Investment management charges | | |
| Society of Merchant Venturers of Bristol – reallocation of salaries, overheads and general advisory | 246 | 242 |
| Investment manager fees | 101 | 112 |
| Agricultural estate management | 349 | 349 |
| Commercial properties management | 41 | 31 |
| | 737 | 734 |
| (b) Property operational costs | | |
| Agricultural estates | 445 | 439 |
| Commercial properties | 971 | 405 |
| | 1,417 | 844 |
| (c) Major repairs & other costs | | |
| Agricultural estates | 214 | 396 |
| Total costs of generating funds | 2,368 | 1,974 |

7 Residential care and support

Group

| | 2019 | 2018 |
|---|---------------|--------|
| | £'000 | £'000 |
| Staff costs | 28,105 | 25,461 |
| Residential services | 856 | 742 |
| Site services | 1,466 | 1,445 |
| Provisions and catering | 1,380 | 1,369 |
| Insurance | 372 | 353 |
| Property and equipment (including depreciation) | 4,967 | 5,086 |
| Miscellaneous | 646 | 800 |
| Management and administration | 1,648 | 2,071 |
| | 39,439 | 37,327 |

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Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

Charity

| | 2019 | 2018 |
|---|---------------|--------|
| | £'000 | £'000 |
| Staff costs | 27,906 | 25,461 |
| Residential services | 855 | 742 |
| Site services | 1,409 | 1,445 |
| Provisions and catering | 1,358 | 1,369 |
| Insurance | 372 | 353 |
| Property and equipment (including depreciation) | 4,936 | 5,086 |
| Miscellaneous | 682 | 800 |
| Management and administration | 1,629 | 2,071 |
| | 39,147 | 37,327 |

8 Governance costs

| | 2019 | 2018 |
|--|--------------|-------|
| | £'000 | £'000 |
| Group | | |
| Auditor's remuneration (including irrecoverable VAT) | | |
| - for audit | 40 | 35 |
| - other professional services | 12 | 23 |
| Trustee expenses | 3 | 2 |
| | 55 | 60 |
| Charity | | |
| Auditor's remuneration (including irrecoverable VAT) | | |
| - for audit | 36 | 32 |
| - other professional services | 16 | 23 |
| Trustee expenses | 3 | 2 |
| | 51 | 57 |

Neither the Council, nor persons connected with them, received any remuneration or other benefits from the Trust during the year. Reimbursement of expenses amounted to £nil during the year (2018: £2k).

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Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

9 Transfers

| Group and charity | Unrestricted fund | Designated fund | Other restricted funds | Permanent endowment funds |
|-----------------------------|------------------------------|----------------------------|---------------------------------------|--|
| | £'000 | £'000 | £'000 | £'000 |
| Service Charge Transfer (A) | (344) | 290 | - | 54 |

(A) During the year £344,000 (2018: £344,000) has been transferred out of the unrestricted fund which represents service charges received from residents. The transfer is part of an agreement to designate funds for future maintenance costs on the Westbury-on-Trym, Cote Lane and Bedminster sites, £290,000 (2018: £290,000) has been transferred into the designated fund and £54,000 (2018: £54,000) into the permanent endowment fund.

10 Staff numbers and costs

The average headcount in the year for the group was 1,569 (2018: 1,495).

The full time equivalent average number of persons employed by St Monica Trust during the year, including directors, analysed by category, was as follows:

| | 2019 Total £'000 | 2018 Total £'000 |
|------------------------------|---------------------------------|---------------------------------|
| Residential care and support | 836 | 807 |
| Community support | 3 | 3 |
| Management of the Trust | 23 | 23 |
| | <hr/> 862 <hr/> | <hr/> 833 <hr/> |

The aggregate payroll costs were as follows:

| | 2019 Total £'000 | 2018 Total £'000 |
|-----------------------|---------------------------------|---------------------------------|
| Wages and salaries | 24,098 | 22,159 |
| Social security costs | 1,595 | 1,506 |
| Pensions | 992 | 853 |
| Agency staff costs | 1,658 | 1,107 |
| | <hr/> 28,343 <hr/> | <hr/> 25,625 <hr/> |

During the current and previous year, the Trustees were not paid any remuneration or reimbursed for expenses, and no Trustees made donations to the charity.

Key management remuneration in total for the year was £950,080 (2018: £745,461).

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Notes (continued)

(forming part of the financial statements)

The number of employees whose emoluments, excluding pension contributions, were in excess of £60,000 per annum fell within the following bands:

| | 2019 | 2018 |
|----------------------|---------------|--------|
| | Number | Number |
| £60,001 to £70,000 | 4 | 3 |
| £70,001 to £80,000 | 1 | 3 |
| £80,001 to £90,000 | 4 | 3 |
| £90,001 to £100,00 | - | 1 |
| £100,001 to £110,000 | 1 | - |
| £110,001 to £120,000 | 1 | - |
| £120,001 to £130,000 | - | - |
| £130,001 to £140,000 | 1 | 1 |
| £140,001 to £150,00 | - | - |
| £150,001 to £160,000 | - | - |
| £160,001 to £170,000 | - | - |
| £170,001 to £180,000 | 1 | - |
| £180,001 to £190,000 | - | 1 |
| £190,001 to £200,000 | 1 | - |

These members of staff have pension benefits accruing under the group personal pension plan.

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Notes (continued)

(forming part of the financial statements)

11 Net movement on funds is stated after charging

| | 2019 | 2018 |
|--|--------------|-------|
| | £'000 | £'000 |
| Auditors' remuneration – Charity (excluding VAT) | 36 | 27 |
| Auditors' remuneration – Subsidiaries (excluding VAT) | 4 | 2 |
| Auditors' remuneration – for other professional services | 12 | 19 |
| Depreciation and other amounts written off tangible fixed assets | 2,576 | 2,588 |
| Inventories recognised as an expense | 1,380 | 1,369 |

12 Taxation

The charity is not liable to taxation on the net income from its primary activity. Stated below are the tax details of the subsidiary St Monica Trading Limited:

| | 2019 | 2018 |
|---|-------------------|-------------------|
| | £'000 | £'000 |
| Current tax | | |
| UK corporation tax on results of the year | - | - |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | <u> </u> | <u> </u> |

Factors affecting the tax charge for the current period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (19%), (2018: 19%). The differences are explained below:

| | 2019 | 2018 |
|--|--|--|
| | £'000 | £'000 |
| <i>Current tax reconciliation</i> | | |
| Profit before tax (of trading subsidiary only) | <u> 65</u> | <u> 99</u> |
| Current tax at 19% | 12 | 19 |
| <i>Effects of:</i> | | |
| Gift Aid payments | (12) | (19) |
| | <u> </u> | <u> </u> |
| Total current tax charge (see above) | <u> </u> <u> </u> | <u> </u> <u> </u> |

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Notes (continued)

(forming part of the financial statements)

13 Tangible fixed assets

| | Assets in the course of construction £'000 | Freehold land and buildings £'000 | Furniture and equipment £'000 | Motor vehicles £'000 | Total £'000 |
|----------------------------|---|--|--|-------------------------------------|------------------------|
| Group | | | | | |
| <i>Cost</i> | | | | | |
| At beginning of year | 2,566 | 162,159 | 7,559 | 1,298 | 173,582 |
| Transfers | (2,313) | 2,313 | - | - | - |
| Additions | 1,815 | 1,789 | 317 | 49 | 3,970 |
| Disposals in the year | - | (667) | (13) | - | (680) |
| At end of year | <u>2,068</u> | <u>165,594</u> | <u>7,863</u> | <u>1,347</u> | <u>176,872</u> |
| <i>Depreciation</i> | | | | | |
| At beginning of year | - | 18,384 | 6,110 | 380 | 24,874 |
| Charge for year | - | 1,816 | 572 | 188 | 2,576 |
| Depreciation on disposals | - | (13) | (13) | - | (26) |
| At end of year | <u>-</u> | <u>20,187</u> | <u>6,669</u> | <u>568</u> | <u>27,424</u> |
| <i>Net book value</i> | | | | | |
| At 31 December 2019 | <u>2,068</u> | <u>145,407</u> | <u>1,194</u> | <u>779</u> | <u>149,448</u> |
| At 31 December 2018 | <u>2,566</u> | <u>143,775</u> | <u>1,449</u> | <u>918</u> | <u>148,708</u> |

The above schedule includes finance costs of £3,890,000 (2018: £3,890,000) relating to loan interest and charges incurred for financing the new Keynsham, Monica Wills House, the sheltered flats and the Garden House Annexe at Cote Lane, and the Sandford developments.

Land costing £26,025,000 (2018: £26,025,000) is not depreciated.

The Trustee's review of the fixed assets has concluded that their value is not impaired.

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Notes (continued)

(forming part of the financial statements)

| | Assets in the course of construction £'000 | Freehold land and buildings £'000 | Furniture and equipment £'000 | Motor vehicles £'000 | Total £'000 |
|----------------------------|---|--|--|-------------------------------------|------------------------|
| Charity | | | | | |
| <i>Cost</i> | | | | | |
| At beginning of year | 2,566 | 162,159 | 7,559 | 1,298 | 173,582 |
| Transfers | (2,313) | 2,313 | - | - | - |
| Additions | 1,815 | 1,789 | 314 | 49 | 3,967 |
| Disposals in the year | - | (667) | (13) | - | (680) |
| At end of year | <u>2,068</u> | <u>165,594</u> | <u>7,860</u> | <u>1,347</u> | <u>176,869</u> |
| <i>Depreciation</i> | | | | | |
| At beginning of year | - | 18,384 | 6,110 | 380 | 24,874 |
| Charge for year | - | 1,816 | 572 | 188 | 2,576 |
| Depreciation on disposals | - | (13) | (13) | - | (26) |
| At end of year | <u>-</u> | <u>20,187</u> | <u>6,669</u> | <u>568</u> | <u>27,424</u> |
| <i>Net book value</i> | | | | | |
| At 31 December 2019 | <u>2,068</u> | <u>145,407</u> | <u>1,191</u> | <u>779</u> | <u>149,445</u> |
| At 31 December 2018 | <u>2,566</u> | <u>143,775</u> | <u>1,449</u> | <u>918</u> | <u>148,708</u> |

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Year ended 31 December 2019

Notes (continued)

(forming part of the financial statements)

14 Fixed asset investments

Group

| | Investment Properties £'000 | Financial securities £'000 | Cash on deposit £'000 | Other investments* £'000 | Total £'000 |
|---------------------------------------|--|---|--------------------------------------|---|------------------------|
| Cost | | | | | |
| At beginning of year | 56,476 | 71,648 | 4,563 | 2,913 | 135,600 |
| Transfer from Fixed Assets | - | - | - | - | - |
| Additions | 679 | 14,520 | 1,237 | - | 16,436 |
| Disposals | (1,388) | (4,309) | - | - | (5,697) |
| At end of year | 55,767 | 81,859 | 5,800 | 2,913 | 146,339 |
| Revaluation – unrealised gains | | | | | |
| At beginning of year | 114,847 | 13,986 | - | (1,124) | 127,709 |
| Disposals | (4,226) | (3,441) | - | - | (7,667) |
| Net gains arising on revaluation | 11,373 | 8,837 | - | (552) | 19,658 |
| At end of year | 121,994 | 19,382 | - | (1,676) | 139,700 |
| Net book value | | | | | |
| At 31 December 2019 | 177,761 | 101,241 | 5,800 | 1,237 | 286,039 |
| At 31 December 2018 | 171,323 | 85,634 | 4,563 | 1,789 | 263,309 |

There were total realised and unrealised gains during the year of £17,438,000 (2018: losses of £5,938,000).

* Other investments are Hercules Unit Trust income units, investments in CCLA Investment Management Limited.

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Notes (continued)

(forming part of the financial statements)

Investments with a market value of greater than 5% total quoted securities at 31 December 2019 and 2018:

| Investment | Portfolio 2019 | Portfolio 2018 |
|---|---------------------------|-------------------|
| Artemis Equity Income Fund | 5.4% | 5.4% |
| Brummer Multi-Strategy 2 XL Fund | 5.2% | 5.9% |
| Investec UK Special Situations Fund | 6.9% | 6.5% |
| Newton Global Higher Income Fund | 10.1% | 10.1% |
| JO Hambro Global Select Equity Fund | 5.8% | 5.6% |
| KBI Institutional Developed Equity Fund | 9.5% | 10.0% |
| Trojan Income Fund | 6.4% | 6.6% |
| Kiltearn Global Equity Fund | 8.3% | 8.9% |
| Neptune Equity Income Fund | - | 5.2% |

The total cumulative surplus/(deficit) on revaluing investment properties is as follows:

| | 2019 | 2018 |
|----------------------------------|----------------|---------|
| | £'000 | £'000 |
| Commercial property (note (a)) | (200) | (200) |
| Agricultural property (note (b)) | 122,194 | 115,048 |
| | 121,994 | 114,848 |

(a) Subject to the exception noted under (c) below, the last tri-annual valuation for the commercial property was at 31 December 2018 by CBRE Limited in accordance with the RICS Valuation – Professional Standards 2014 (the ‘Red Book’).

(b) The agricultural property has been valued at 31 December 2019 by the Land Steward in accordance with the RICS Valuation – Professional Standards 2014 (the ‘Red Book’).

(c) Block C at The Chocolate Quarter has been valued at 31 December 2019 by Alder King LLP in accordance with the RICS Valuation – Global Standards 2017 – incorporating the International Valuation Standards (Red Book) and the UK national supplement FRS102 ‘The Financial Reporting Standard’ applicable to the United Kingdom and Republic of Ireland.

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Notes (continued)

(forming part of the financial statements)

Charity

| | Subsidiary undertakings | Investment Properties | Financial securities | Cash on deposit | Other investments* | Total |
|---------------------------------------|----------------------------|--------------------------|-------------------------|--------------------|-----------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | |
| At beginning of year | - | 56,476 | 71,648 | 4,563 | 2,913 | 135,600 |
| Transfer from Fixed Assets | - | - | - | - | - | - |
| Additions | - | 679 | 14,520 | 1,237 | - | 16,436 |
| Disposals | - | (1,388) | (4,309) | - | - | (5,697) |
| At end of year | - | 55,767 | 81,859 | 5,800 | 2,913 | 146,339 |
| Revaluation – unrealised gains | | | | | | |
| At beginning of year | - | 114,847 | 13,986 | - | (1,124) | 127,709 |
| Disposals | - | (4,226) | (3,441) | - | - | (7,667) |
| Net gains arising on revaluation | - | 11,373 | 8,837 | - | (552) | 19,658 |
| At end of year | - | 121,994 | 19,382 | - | (1,676) | 139,700 |
| Net book value | | | | | | |
| At 31 December 2019 | - | 177,761 | 101,241 | 5,800 | 1,237 | 286,039 |
| At 31 December 2018 | - | 171,323 | 85,634 | 4,563 | 1,789 | 263,309 |

The charity owns 100% of the issued share capital of St Monica Trading Limited (company registration number: 11070522), a company incorporated in England and Wales. The total share capital is £1 – too small to show in the rounded figures above. The principal activities of this company are conducting the commercial operations undertaken at St Monica Trust's retirement village at Keynsham.

* Other investments are Hercules Unit Trust income units, investments in CCLA Investment Management Limited.

15 Stocks

| | Group | | Charity | |
|---------------|-------|-------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Sundry stocks | 56 | 42 | 49 | 42 |

Stock relates to catering purchases in the SoFA of £1,380,000 (2018: £1,369,000)

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Notes (continued)

(forming part of the financial statements)

16 Debtors

| | Group | | Charity | |
|------------------------------------|---------------|--------|----------------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 2,490 | 1,772 | 2,490 | 1,772 |
| Prepayments and accrued income | 7,540 | 3,873 | 7,653 | 3,873 |
| Other debtors | 7,320 | 16,353 | 7,186 | 16,353 |
| Amounts owed by group undertakings | - | - | 113 | - |
| | 17,350 | 21,998 | 17,442 | 21,998 |

Prepayments and accrued income include accrued consideration for agricultural disposals of £7,221,000 (2018: £14,690,000), in respect of the Cheddington and Quakers Walk disposals.

Other debtors include an agricultural disposal for Brockworth of £4,023,00 (2018: nil).

17 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|---------------|--------|----------------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 1,806 | 1,908 | 1,797 | 1,908 |
| Bank loan | 2,362 | 29,113 | 2,362 | 29,113 |
| Amounts due to lifetime leasehold tenants | 14,989 | 13,633 | 14,989 | 13,633 |
| Other creditors | 2,016 | 1,850 | 1,968 | 1,850 |
| Tax and Social Security | 1,457 | 560 | 1,457 | 560 |
| Accruals and deferred income | 4,750 | 4,448 | 4,642 | 4,444 |
| Amounts owed to group undertakings | - | - | 167 | 103 |
| | 27,380 | 51,512 | 27,382 | 51,611 |

Accruals and deferred income includes accruals of £1,899,000 (2018: £2,283,000) and deferred income comprising £2,851,000 (2018: £2,165,000).

New three-year and one-year borrowing facilities with Natwest bank were put in place from July 2019.

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Notes (continued)

(forming part of the financial statements)

Deferred income comprises care home fees of £1,819,595 (2018: £1,180,081), sheltered housing rent and service charges of £470,664 (2018: £427,000), commercial rents of £444,662 (2018: £558,000) and other of £115,746:

| | Group | | Charity | |
|----------------------------------|----------------|---------|----------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred income brought forward | 2,165 | 1,439 | 2,165 | 1,439 |
| Recognised in the year | 2,851 | 2,165 | 2,799 | 2,165 |
| Released to the SoFA in the year | (2,165) | (1,439) | (2,165) | (1,439) |
| Deferred income carried forward | 2,851 | 2,165 | 2,799 | 2,165 |

18 Creditors: amounts falling due after more than one year

| | Group | | Charity | |
|---|----------------|--------|----------------|--------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loan | 20,859 | 3,199 | 20,859 | 3,199 |
| Amounts due to lifetime leasehold tenants | 98,025 | 87,200 | 98,025 | 87,200 |
| | 118,884 | 90,399 | 118,884 | 90,399 |
| Age analysis of bank loan | | | | |
| Due within one year | 2,362 | 29,113 | 2,362 | 29,113 |
| Between two and five | 20,595 | 2,704 | 20,595 | 2,704 |
| After five years | 264 | 495 | 264 | 495 |
| | 23,221 | 32,312 | 23,221 | 32,312 |

The Trust's bank loans have been arranged with no security having been provided by the Trust to the lender.

Bank loans consist of:

- Keynsham development loan relating to the commercial Block C of £20,000,000 which is fully utilised. The interest rate is 0.90% above LIBOR and is repayable in July 2022
- Sandford development loan of £2,248,039 which was for a period of 10 years and is due for repayment in December 2020. It is an interest only loan with a rate of 0.45% above LIBOR.
- John Wills Annex loan of £973,096 which is due for repayment by January 2028. The interest rate is 0.65% above bank base rates.

The amounts due to lifetime leasehold tenants relates to amounts paid by the residents for their leases, which is repayable when the properties are vacated.

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Notes (continued)

(forming part of the financial statements)

19 Other restricted funds – Group and charity

| | At 1 January 2019 | Incoming resources | Outgoing resources | Gains on investments | At 31 December 2019 |
|------------------------|------------------------------|-------------------------------|-------------------------------|---------------------------------|------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Residents' legacy fund | 144 | 3 | (3) | 18 | 162 |
| Community support fund | 170 | 2 | (2) | 24 | 194 |
| | 314 | 5 | (5) | 42 | 356 |

20 Designated fund – Group and charity

A designated fund has been set up for future maintenance costs on the Westbury-on-Trym, Cote Lane, Sandford and Bedminster sites. Transfers from the unrestricted fund have been made in line with the expected costs, and represent service charges received from residents.

| | |
|-------------------------------------|------------------------|
| | Total £'000 |
| At 1 January 2019 | 4,192 |
| Transfer from the unrestricted fund | 290 |
| Surrender Fees | 549 |
| At 31 December 2019 | 5,031 |

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Notes (continued)

(forming part of the financial statements)

21 Analysis of funds

Group

| | Unrestricted fund | Designated fund | Restricted fund | Permanent endowment fund | Total |
|--------------------------------------|------------------------------|----------------------------|----------------------------|---|----------------|
| Movement in funds | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2019 | 16,601 | 4,192 | 314 | 268,249 | 289,356 |
| Net incoming/(outgoing) resources | 441 | 549 | - | (2,768) | (1,798) |
| Transfers between funds | (344) | 290 | - | 54 | - |
| Gains on investment assets | - | - | 42 | 17,396 | 17,438 |
| Actuarial loss on pension liability | - | - | - | (740) | (740) |
| At 31 December 2019 | 16,698 | 5,031 | 356 | 282,191 | 304,276 |

| Representation of fund balances | £'000 | £'000 | £'000 | £'000 | £'000 |
|--|---------------|--------------|--------------|----------------|----------------|
| Tangible fixed assets | 1,974 | - | - | 147,474 | 149,448 |
| Investments | - | - | 321 | 285,718 | 286,039 |
| Cash and bank balances | 6,416 | - | - | (10) | 6,406 |
| Other current assets and liabilities | 8,308 | 5,031 | 35 | (23,348) | (9,974) |
| Long term creditors | - | - | - | (118,884) | (118,884) |
| Pension liability | - | - | - | (8,759) | (8,759) |
| At 31 December 2019 | 16,698 | 5,031 | 356 | 282,191 | 304,276 |

| | | | | | |
|---|---|---|----|--------|--------|
| Unrealised and realised investment asset gains included above | - | - | 42 | 17,396 | 17,438 |
|---|---|---|----|--------|--------|

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Notes (continued)

(forming part of the financial statements)

Charity

| | Unrestricted fund | Designated fund | Restricted fund | Permanent endowment fund | Total |
|-------------------------------------|----------------------|--------------------|--------------------|--------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Movement in funds | | | | | |
| At 1 January 2019 | 16,502 | 4,192 | 314 | 268,249 | 289,257 |
| Net incoming/(outgoing) resources | 356 | 549 | - | (2,768) | (1,863) |
| Transfers between funds | (344) | 290 | - | 54 | - |
| Gains on investment assets | - | - | 42 | 17,396 | 17,438 |
| Actuarial gain on pension liability | - | - | - | (740) | (740) |
| At 31 December 2019 | 16,514 | 5,031 | 356 | 282,191 | 304,092 |

| Representation of fund balances | £'000 | £'000 | £'000 | £'000 | £'000 |
|--|---------------|--------------|------------|----------------|----------------|
| Tangible fixed assets | 1,974 | - | - | 147,474 | 149,448 |
| Investments | - | - | 321 | 285,718 | 286,039 |
| Cash and bank balances | 6,152 | - | - | (10) | 6,142 |
| Other current assets and liabilities | 8,388 | 5,031 | 35 | (23,348) | (9,894) |
| Long term creditors | - | - | - | (118,884) | (118,884) |
| Pension liability | - | - | - | (8,759) | (8,759) |
| At 31 December 2019 | 16,514 | 5,031 | 356 | 282,191 | 304,092 |

| | | | | | |
|---|---|---|----|--------|--------|
| Realised and unrealised investment asset gains included above | - | - | 42 | 17,396 | 17,438 |
|---|---|---|----|--------|--------|

22 Capital commitments

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 4,730 | 5,346 |

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Notes (continued)

(forming part of the financial statements)

23 Operating leases as a lessee

The future minimum lease payments under non-cancellable operating leases expected to be paid by the Charity and Group will fall due as follows:

| | 2019 | 2018 |
|----------------------------|--|--|
| | Group and Charity plant and machinery | Group and Charity plant and machinery |
| | £'000 | £'000 |
| Within one year | 12 | 13 |
| Between one and five years | 20 | 28 |
| After five years | - | - |
| | 32 | 41 |

The total charge to the statement of financial activities in the year in respect of operating lease rentals for the hire of plant and machinery was £14,000 (2018: £15,000).

24 Operating leases as a lessor

The future minimum lease payments due to be received under non-cancellable operating leases by the Charity and Group are as follows:

| | 2019 | 2018 |
|----------------------------|---|---|
| | Group and Charity leasehold property | Group and Charity leasehold property |
| | £'000 | £'000 |
| Within one year | 1,307 | 1,088 |
| Between one and five years | 8,107 | 6,500 |
| After five years | 5,744 | 7,109 |
| | 15,158 | 14,697 |

25 Reconciliation of movement in net cash

| | At 1 January | Cash flow | At 31 December |
|--------------------------|---------------------|------------------|-----------------------|
| | 2019 | 2019 | 2019 |
| | £'000 | £'000 | £'000 |
| Investments | 4,563 | 1,237 | 5,800 |
| Cash at bank and in hand | 5,305 | 1,101 | 6,406 |
| Bank loan | (32,312) | 9,091 | (23,221) |
| | (22,444) | 11,429 | (11,015) |

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Notes (continued)

(forming part of the financial statements)

26 Analysis of changes in net debt

| | At 1 January | Cash flow | At 31 December |
|----------------------------------|---------------------|------------------|------------------------|
| | 2019 | | 2019 |
| | £'000 | £'000 | £'000 |
| Cash and cash equivalents | | | |
| Cash | 5,323 | 1,093 | 6,416 |
| Overdrafts | (18) | 8 | (10) |
| Cash equivalents | - | | |
| | <u>5,305</u> | <u>1,101</u> | <u>6,406</u> |
| Borrowings | | | |
| Debt due within one year | (29,113) | 26,751 | (2,362) |
| Debt due after one year | (3,199) | (17,660) | (20,859) |
| | <u>(32,312)</u> | <u>9,091</u> | <u>(23,221)</u> |
| Total | <u>(27,007)</u> | <u>10,192</u> | <u>(16,815)</u> |

27 Related party transactions

The Trust paid a fee including reallocation of salaries and overhead costs totalling £246,000 (2018: £242,000) to the Society of Merchant Venturers of Bristol to cover the services it provides in its role as Endowment Trustee (note 6(a)).

A professional indemnity insurance premium of £2,800 (2018: £3,000) was paid by the Trust on the behalf of the Trustees.

The charity owns 100% of the issued share capital of St Monica Trading Limited (company registration number: 11070522), a company incorporated in England and Wales. During the period St Monica Trust provided to St Monica Trading Limited staff time, catering supplies and other operating costs totalling £676,039 and collected £843,073 of income. The amount owing to St Monica Trading Limited at the period end was £167,636. A Gift Aid payment was made to St Monica Trust by St Monica Trading Limited of £98,595 in respect of the trading results for 2018.

St Monica Trustee Company is the sole member of Somerdale Pavilion Trust (company registration number: 11730938), a company limited by guarantee, incorporated in England and Wales and registered as a charity (registered charity number: 1182426). During the period, St Monica Trust provided staff time and funds for operating expenses to Somerdale Pavilion Trust totalling £152,654 and provided services to St Monica Trust in the form of parking and academy rent totalling £39,476. The amount owing to St Monica Trust at the period end was £113,178.

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Notes (continued)

(forming part of the financial statements)

28 Pension schemes

Unfunded pension liability

The Trust has granted unfunded defined benefit pensions to some current and former employees of the Trust. The valuation of the pensions was carried out as at 31 December 2019 by PriceWaterhouseCoopers, a qualified independent actuary who are a fellow of the Institute of Actuaries. Pension payments made for the year ended 31 December 2019 in respect of the defined benefit pensions were £298,000 (2018: £303,000).

| | | | | |
|---|----------------|--------------|--------------|--------------|
| The principal assumptions made by the Trust were: | 2019 | 2018 | 2017 | 2016 |
| | % | % | % | % |
| Rate of increase in pensionable salaries | 3.0 | 3.2 | 3.1 | 3.2 |
| Rate of increase in pensions in payment | 3.0 | 3.0 | 3.0 | 3.0 |
| Inflation rate | 3.0 | 3.2 | 3.1 | 3.2 |
| Discount rate | 2.0 | 2.8 | 2.5 | 2.7 |
| Pensioner and non-pensioner mortality SAPS all MC | 1% pa | 1% pa | 1% pa | 1% pa |
| The amounts recognised in the balance sheet are as follows: | £'000 | £'000 | £'000 | £'000 |
| Present value of scheme liabilities | (8,759) | (8,095) | (8,505) | (8,876) |
| Deficit in the scheme | (8,759) | (8,095) | (8,505) | (8,876) |

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Notes (continued)

(forming part of the financial statements)

**Analysis of amount charged to net outgoing resources
in respect of defined benefit pensions**

| | 2019 | 2018 |
|-------------------------------|--------------|-------|
| | £'000 | £'000 |
| Interest on pension liability | (222) | (209) |
| Total operating charge | (222) | (209) |

| | 2019 | 2018 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Movement in liability during the year | | |
| Liability at the start of the year | (8,095) | (8,505) |
| Movement: | | |
| Employer contributions (including pension payments) | 298 | 303 |
| Interest cost | (222) | (209) |
| Actuarial gain / (loss) | (740) | 316 |
| Liability at the end of the year covered by a specific provision in the financial statements | (8,759) | (8,095) |

| | £'000 | £'000 |
|--|--------------|-------|
| Analysis of amount recognised in the statement of financial activities | | |
| Actuarial gain / (loss) recognised in the statement of financial activities | (740) | 316 |

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(forming part of the financial statements)

Amounts for the current and previous four periods are as follows

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Scheme assets | - | - | - | - | - |
| Scheme liabilities | (8,759) | (8,095) | (8,505) | (8,876) | (7,653) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Deficit in plan | (8,759) | (8,095) | (8,505) | (8,876) | (7,653) |
| Actuarial gains/(losses) on liabilities | (740) | 316 | 303 | (1,249) | 221 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Statement of total recognised gains and losses for the period ending 31 December | (740) | 316 | 303 | (1,249) | 221 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Other pension scheme

The Trust also contributes to a group personal pension plan. The contributions made by the Trust to this pension scheme are charged to the statement of financial activities when they fall due and were £766,000 (2018: £644,000).

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Notes (continued)

(forming part of the financial statements)

29 Comparative charity statement of financial activities

| | Note | Restricted funds | | | | Total Funds 2018 £'000 |
|--|------|--------------------|-----------------|------------------------|---------------------------|------------------------------|
| | | Unrestricted Funds | Designated fund | Other restricted funds | Permanent endowment funds | |
| | | £'000 | £'000 | £'000 | £'000 | |
| Income | | | | | | |
| Income from charitable activities | | | | | | |
| Residential care and support | | 27,945 | - | - | - | 27,945 |
| Accommodation income | | 4,292 | 448 | - | - | 4,740 |
| Generated funds | | | | | | |
| Investment income | 4 | 7,562 | - | 9 | - | 7,571 |
| Total income | | 39,799 | 448 | 9 | - | 40,256 |
| Expenditure | | | | | | |
| Costs of raising funds | | | | | | |
| Investment management charges | 6a | (31) | - | - | (703) | (734) |
| Property operational costs | 6b | (844) | - | - | - | (844) |
| Major repairs and other costs | 6c | (39) | - | - | (357) | (396) |
| Total costs of generating funds | 6 | (914) | - | - | (1,060) | (1,974) |
| Charitable activities | | | | | | |
| Costs in furtherance of the Trust's objects | | | | | | |
| Residential care and support | 7 | (36,643) | - | (9) | (675) | (37,327) |
| Accommodation costs | | (2,652) | - | - | - | (2,652) |
| Community support | | (703) | - | - | - | (703) |
| Governance | 8 | (57) | - | - | - | (57) |
| Total charitable expenditure | | (40,055) | - | (9) | (675) | (40,739) |
| Total expenditure | | (40,969) | - | (9) | (1,735) | (42,713) |
| Net income/expenditure before investment losses | | (1,170) | 448 | - | (1,735) | (2,457) |
| Realised and unrealised losses on investments | 14 | - | - | (6) | (5,932) | (5,938) |
| Net income/expenditure before transfers and Net income/(expenditure) for the year | | (1,170) | 448 | (6) | (7,667) | (8,395) |
| Transfers between funds | 9 | (344) | 290 | - | 54 | - |
| Actuarial gain/(loss) on defined benefit pension | 28 | - | - | - | 316 | 316 |
| Net movement in funds | | (1,514) | 738 | (6) | (7,297) | (8,079) |
| Total funds brought forward | | 18,015 | 3,455 | 320 | 275,546 | 297,336 |
| Total funds carried forward | 21 | 16,501 | 4,193 | 314 | 268,249 | 289,257 |