
COMPANY NO: 1089026

CHARITY NO: 502224

RSH NO: H3158

**St Anne's Community Services
Annual Report and Financial Statements
For the Year Ended 31 March 2023**

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COMPANY INFORMATION

The Trustees, who are Directors of St Anne's Community Services, have pleasure in presenting their Annual Report and Financial Statements for the year ended 31 March 2023. The Financial Statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with our governing document, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2018 for registered social housing providers preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

St Anne's Community Services is a company limited by guarantee. It is registered with the Charity Commission and is also a registered housing provider regulated by the Regulator of Social Housing (RSH). Details of the Trustees and other corporate information are set out below:

Board of Trustees who served during the year:

- A Sully (Chair) (appointed 16 March 2021)
- B Machin (Vice Chair) (appointed 04 February 2020)
- J Adams (appointed 01 August 2022 resigned 11 September 2023)
- C Ashton (appointed 26 October 2022)
- M Bardle (appointed 06 September 2022)
- P Brown (resigned 31 July 2022)
- I Currell (resigned 31 July 2022)
- G Dalton (appointed 28 January 2020)
- P Garnett (resigned 31 July 2022)
- L Hancock (appointed 01 August 2022)
- O Laird (resigned 30 December 2022)
- A Leech (appointed 16 March 2021)
- J Riley (resigned 01 August 2022)
- A Topping (appointed 26 October 2022 resigned 26 April 2023)
- M Turnbull (appointed 08 February 2020)
- T Watters (appointed 04 February 2020)

Company Registered Number	1089026
Charity Commission Number	502224
External Auditors	Mazars LLP 5th Floor, 3 Wellington Place, Leeds, LS1 4AP
Bankers	Unity Trust Bank plc Four Brindley Place, Birmingham, B1 2JB
Solicitors	DAC Beachcroft LLP 23 Park Square South, Leeds, LS1 2ND Bevan Brittan LLP 7 th Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

Pensions and Investment Advisors

First Actuarial LLP
Trafford House
Chester Road
Manchester
M32 0RS

Purple Wealth Management LLP
50 Burley Hill Business Centre
Burley Road
Leeds
LS4 2PU

CHAIR'S WELCOME

2022/23 is the second year of our new five-year strategy, underpinning the strategy are our PROUD values and our purpose of 'making a difference every day' by providing the highest quality, person centred care and support. Whilst this forms part of our strategy, this has been at the core of St Anne's philosophy since St Anne's began in 1971 and will therefore continue to be so.

We are all very aware that this year has been another year of change and challenge. We have continued to face unprecedented challenges during the year brought about by the Covid-19 pandemic, but in spite of these challenges we have continued to see our front-line staff carry out their roles with an amazing amount of dedication and resilience. On behalf of the Board and St Anne's wider stakeholders I would particularly like to thank all our staff for their continued dedication and commitment to our clients in another exceptionally challenging year.

Our clients are at the centre of everything we do, and it is pleasing to report that our Care Quality Commission (CQC) ratings, with the vast majority of our CQC rated services scoring Good or Outstanding, are ahead of the national sector averages.

Our people are our key to everything we do at St Anne's. We are committed to the continuous development of our staff and investing in their training and support. St Anne's aspires to reward staff with the national Real Living Wage, although this is hugely dependent on our commissioning bodies.

St Anne's can only continue to deliver its charitable purpose into the future if it is financially sustainable. Our financial performance for 2022/23, described in the following pages, reflects the challenges of the year as St Anne's recovers from the Covid-19 pandemic. Covid-19 funding ended in 2021/22 and the financial impact of this has been significant in the year. The further impact of the reduction in the national workforce has led to delays in referrals with an effect on void management, exacerbating an already costly and difficult process. St Anne's is facing its challenge and is continually evolving to best continue to support our staff and clients, reinvest in our current services and develop new services to meet the changing needs of the most vulnerable people in our society.

During 2022/23 St Anne's Senior Management Team has seen a change in its Director of People and Chief Finance Officer. The Board and SMT are focused on moving our strategy forward and deliver on a number of larger projects that will help to shape St Anne's in the years to come.

Our Board of Trustees has seen several new Trustees this year in accordance with previous plans to further strengthen the Board of Trustees and Trustee representation on our committees in 2022/23. The Trustee role carries significant responsibility and so I am grateful to all the Trustees for assuming that responsibility and for their commitment to St Anne's during the past year.

To all of those who have supported us this year, the Trustees offer their thanks. The Board is looking forward to 2023/24 with cautious optimism, knowing as an organisation we will be able to face any challenges headlong and continue to provide the highest possible support to all our clients.


Anthea Sully (Sep 28, 2023 18:19 GMT+1)

Anthea Sully,
Chair of Board of Trustees

CHIEF EXECUTIVE'S WELCOME

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

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

2022/23 has been the second year of our five-year strategy – "A Life Without Limits". During the year we have focused on further improving our Quality Assurance Framework achieved great results, with staff and managers feeling even more supported by our Quality and Continuous Improvement Team. St Anne's continues to develop as an organisation and over the past year we have continued to maintain high quality standards with the vast majority of our services being rated good or outstanding from the CQC and again this can only be achieved through the skill, dedication, and commitment of our staff.

We have undertaken significant groundwork for the property investment and asset management strategy, particularly looking at how we invest in our properties for the benefit of our clients, further developing our approach to quality, focusing on social value, and securing funding to allow further growth in the services we provide. Post Covid-19 we have had the opportunity to review our systems and data flows and are working towards implementing improvements with a significant systems investment.

The unprecedented inflation levels within the UK have been challenging, with property repairs costs being significantly affected. The National Living and Real Living Wages have increased wages to a level more supportive for our colleagues, however the challenges from Local Authority funding remain a concern.

Financially, the entire social care sector has faced a real challenge. With the removal of Covid-19 funding, previous Commissioner funding has again been exposed. This year we face a deficit position, however we have plans in place to improve our financial position over the forthcoming year. We have a significant pension revaluation this year which belies last year's performance.

Despite the financial challenges we face, we believe it is important to recognise the importance of our staff and we continue to set a remuneration level above the National Minimum Wage. Recruitment challenges in the sector are equal to that of the funding challenge we hope that we continue to attract new people to St Anne's and retain our existing staff so that we can continue to deliver great outcomes for our clients who are some of the most vulnerable people in society.

I would also like to take this opportunity to thank the Trustees for their diligence and the support they have given to St Anne's over the past year. Their voluntary roles carry significant responsibility and they have continued to give a considerable amount of support and devotion to the organisation throughout this challenging year.

As we look forward to 2023/24, we are optimistic that the year will be a positive one as we return to some normality after the Covid-19 pandemic and build on from everything we have achieved in 2022/23.

Azra Kirkby

Azra Kirkby (Sep 28, 2023 12:17 GMT+1)

Azra Kirkby,
Chief Executive Officer

REPORT OF THE TRUSTEES (incorporating the Strategic Report)

The Trustees, who are the Directors for the purpose of company law, present their report along with the financial statements of St Anne's Community Services for the year ended 31 March 2023.

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

St Anne's was founded 52 years ago, in 1971, as a daytime shelter for homeless men in Leeds. From these small beginnings we have gradually expanded over the years to become the organisation we are today, with around 1,300 employees supporting people across the North of England.

Our very first service was shaped around people's needs and wishes and we have maintained this ethos, with the people we support at the centre of all our work, throughout all the services we provide.

We provide housing and accommodation-based support in partnership with other housing providers and deliver a range of community-based services across the North of England. We are proud to support people with learning disabilities, mental health, substance misuse and homelessness issues and to help them achieve their aspirations.

Much of our work is undertaken in partnership with local authority adult social care departments, clinical commissioning groups and community safety partnerships. We also work extensively with people whose support is funded via a direct payment or an individual service fund.

Our current services include:

- Supported living services.
- Residential care, including nursing care.
- Specialist detoxification and rehabilitation (alcohol and substance misuse).
- Respite care.
- Domiciliary care.
- Floating outreach.
- Carers' support.
- Day services.
- Shared Lives.
- Community mental health and substance misuse services.
- Housing with support (long and short term).
- Homelessness services.
- Women's hub (an emergency safe place to stay for women with complex needs who are street homeless or vulnerably housed).

This range and diversity of provision means that if people's needs and goals change, they can continue to be supported by St Anne's.

We work predominantly in the following areas:

North-East: Durham, Gateshead, Middlesbrough, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland.

Yorkshire & the Humber: Bradford, Calderdale, City of York, East Riding, Hull, Kirklees, Leeds, North Yorkshire, Sheffield and Wakefield.

Continuing to focus on the needs of the people we support, we:

- Develop services where we know they are needed.
- Focus on continuous improvement and demonstrating value for money.
- Regularly review our services with the people we support and work together to meet changing needs.

Our Vision

A life without limits for the people we support.

Our Purpose

To make a difference every day. Providing high quality care and support to enable people to lead independent and fulfilled lives.

Making a difference every day is a philosophy that is strongly interwoven into the cultural fabric of St Anne's. It is part of who we are. We do this by providing the highest quality, person centred care and support.

Our Values

We are PROUD to make a difference every day.

Person Centred: We place people at the centre of everything we do and think about how our decisions affect them. We promote choice and we treat people as individuals.

Respectful: We respect each other's opinions and beliefs and treat everyone with dignity. We ensure an inclusive environment, and we celebrate diversity.

Open: We communicate in an open, honest, and transparent way and we share information with each other. We act with integrity, and we do what we say we will.

Understanding: We are understanding of the needs of others, and we work in a caring and compassionate way. We are kind and we support each other.

Dedicated: We are dedicated to improving the lives of the people we support every day and delivering quality services.

Our strategic commitments

Our three strategic commitments through to 2026, and the pillars supporting each commitment, are as follows:

Strategic Commitment 1: Our commitment to our people, communities, and the environment

Pillar 1: Enabling our clients – To ensure that the people we support are at the centre of everything we do, creating strong, individual pathways for people to live their best life.

Pillar 2: Empowering our People – We are a people organisation – people supporting people, and we want to be recognised as a greater place to work, an 'employer of choice' to our employees and to people outside of our organisation.

Pillar 3: Delivering Social Value to our Communities – To increase, measure and evidence our social impact for people, local communities, and the environment.

Strategic Commitment 2: Our commitment to excellence and innovation in service delivery

Pillar 4: 'Good to Great' Quality and Continuous Improvement – To be an exemplar of high-quality and best practice within the social care sector – from 'good to great' – delivering great services and achieving great outcomes.

Pillar 5: Consolidation, Innovation & Expansion – To consolidate our existing range of services, develop innovative and creative services that support pathways for people and expand our offer to new localities.

Pillar 6: An Integrated Housing Solution – To develop and invest in our housing and assistive technology offer. Offering a truly integrated approach that will enable greater access to high quality, affordable homes that meet evolving individual needs.

Strategic Commitment 3: Our commitment to business sustainability, value for money and digital transformation

Pillar 7: Digital Transformation – To make systems and processes more efficient and to use technology to build greater connectivity, quality, and capacity within the organisation.

Pillar 8: Organisational Resources and Sustainability – To ensure that everything we do considers and represents value for money, and we operate in a way which is financially sustainable in both the short and long term.

Our performance and achievements

Throughout 2022/23, St Anne's has continued to consolidate services where appropriate, and grow both organically and through bids and tenders. Covid-19 levels, and infection control guidance, have reduced, and our services are opening up again. It has been great to see our clients able to get back out into the community, as they are always our top priority.

Our clients:

- Getting back out into the community. We have clients who are once again going to coffee mornings, day centres, schools and weekly discos.
- Having joint parties with our St Anne's services, and able to see their friends again. These have occurred over Halloween, Christmas and Valentine's Day.
- The new Client Involvement Officer has given fresh life to the SEVEN group, and it is once again holding face to face meetings, at their request, and influencing policy and procedure at St Anne's.

Our tenants:

- We have undertaken significant work in relation to resident satisfaction, supported by our new Client Engagement Officer.
- We undertook a tenant satisfaction survey focussing on the tenant satisfaction measures contained in the Social Housing Bill currently going through Parliament. Overall satisfaction with St Anne's as a landlord was 85%.
- The Tenant Engagement Strategy was approved and subsequently we have held our first Tenant Forum.
- We also have scheduled our first tenant scrutiny session, focussing on repairs.

Our staff:

- Successful TUPE of new services in Hull, creating greater collaboration between teams in order to make this a success.
- Registered Nurse won Leeds Care Awards – Social Care Nurse of the Year award.
- Significant increase in operational recruitment and a reduction in vacancy rates to 10%.
- Continued focus on internal development with variety of promotions filled internally.
- Successful accreditation to Investors in People Standard.

Our services:

- Successfully won and mobilised the contract at Redwood Glades in Hull.
- Opened the new Boulevard mental health service in Hull.
- Refurbishment of Fox View Respite Centre to provide 'Safe Beds' for clients in emergencies for Kirklees ICB.
- Increased the staffing levels and numbers of clients as part of the Forward Leeds Partnership.
- Opened a new service in York providing outreach hours for independent forensic clients.
- Successfully re-tendered for the Bradford Outreach contract.
- Won a tender for new clients in North Tyneside with highly complex needs.
- Won a tender for new clients in South Tyneside with highly complex needs.
- Placed on seven new frameworks covering supported living and complex care services.
- Won a significant tender, developing an innovative complex care service.

Our systems and processes:

- We developed a new Quality Assurance Framework to give improved operational oversight of all our care services and supported housing services. The framework gives monthly operational compliance updates, identifies any trends or patterns within compliance and allows St Anne's to close that feedback loop by looking at any training needs or solutions to the compliance issue. The Framework also focuses on the quality of provision at a service, and services can be awarded a Bronze, Silver or Gold rating, which incorporates CQC ratings for those that are registered services, dependent on the level of evidence proving they have met the 8 Quality Standards to which St Anne's work.

Corporate Social Responsibility

Our Commitment to Corporate Social Responsibility (CSR) continues across the work we do with clients and beyond with partners of all size across the local communities in which we are based. Covid-19 has presented us with an opportunity to do things differently which has meant that we have had to find different ways of working and delivering CSR in ways that are still meaningful and add value.

Strengthening our Governance

We have significantly reviewed our Charity Code and Housing Code and are continuing this work going forward. St Anne's Community Services continues to adopt the Charity Governance Code for Large Charities and promotes good practice and good governance through its seven principles. Furthermore, we also recognise the 2020 Code of Governance. St Anne's has enlisted a governance consultant to independently review our Charity and Housing Codes and all Frameworks. This is a significant undertaking and highlights the importance and good governance St Anne's places on good governance.

St Anne's is also continuing to review its key governance documents; The Governance Framework, the Risk Management Framework, and the Information Governance Framework, aiming to further refine them, ensuring they continue to provide the framework and structure, whilst detailing the interrelated relationships and factors, as well as touching on other elements that influence the organisation. Importantly, our Frameworks set out the respective roles and responsibilities of the management structure, and reference to policy, systems and processes used across the organisation, and importantly identifying points of accountability and escalation, risks and risk management.

St Anne's is also undertaking a significant review of its Information Governance Framework, utilising a multi-disciplinary team, to be independently reviewed in 2022/23.

St Anne's continues to strive for excellence in governance and commits to both internal and external audits, themed on risk areas, every year.

This year we again published our Modern Slavery Statement, which explains our continued commitment and approach to Modern Slavery across the following areas:

1. Organisation structure and supply chains.
2. Policies in relation to slavery and human trafficking.
3. Due diligence processes that we have in place.
4. Key performance indicators that measure the steps we are taking.
5. Training on modern slavery and trafficking.

Assuring the Quality of our Assets

St Anne's is obliged to ensure compliance with the regulations of the Regulator of Social Housing the Health and Safety at Work Act 1974 and the recently introduced Building Safety Act 2022.

This is the first full year of implementing the stock condition survey, which combined with improved local intelligence means the investment in our homes is more targeted than ever before. We have also renewed a number of Fire Risk Assessments and have fitted carbon monoxide detectors in line with recent legislation. The Board is committed to ensuring that our properties are safe and have the appropriate investment, to make better homes for people. Where we have properties that are no longer

fit for purpose, we have commenced a reprovion programme. During 2023/24 all properties will go through a full property option appraisal as part of the new Asset Management Strategy.

St Anne's is committed to continued improvement and, as a result, is carrying out a full review of the repairs and maintenance operation to ensure it continues to deliver high-quality, value for money service.

Our Finances

Our income for the year 2022/23 was £45.4m, an increase on the previous year of £1.8m (4%). During the year we mobilised several new services including our Redwood Glades extra care service in Hull which has increased our presence in the area which is something we will continue to build on. There were no significant contract losses during the year, although funding remains a challenge and the prior year included some Covid related funding which has not been repeated. However, our operating costs have increased by £3.4m (8%) on the previous year, with increases in the National Living Wage and recruitment challenges have led to an increase in the use of agency staff.

This year we have incurred an operating deficit of £(977)k before the actuarial gain on our pension schemes, this is compared to a surplus of £128k last year.

In the year we have seen a large actuarial gain from the pension scheme of £29.1m, which would give rise to an asset of £28.5m. The significant change in the valuation of the pension asset is mainly due to a change in the discount rate used to value the pension liabilities which reflects movements in the yields on corporate bonds.

We have given consideration to the current economic environment, in particular to the volatile interest and inflation rates, and taken the decision not to recognise a pension asset, as any asset recognised may be transitory and will not be reflected in a reduction of contributions.

In the year our reserves and net assets have reduced to £14.2m compared to a £14.7m reserves and net assets last year.

Additionally, our cash position as an organisation remains strong with £8.1m in cash and investments, albeit that is a £2.8m drop from the previous year mostly due to on-going investments in the organisation, particularly in our properties including a new head office.

Looking ahead to 2023/24, which is the third year of our 5-year strategy, we will look to continue supporting our clients in the best way possible and particularly invest in the environments in which they are living, as well as looking at opportunities to grow and support more clients. Underpinning all of that will be ensuring that we do so in a financially sustainable way.

Comprehensive income for the five years ended 31 March 2023

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Turnover	45,417	43,641	44,685	42,877	44,833
Operating costs	(46,562)	(43,138)	(45,097)	(43,311)	(45,214)
Pension adjustments*	(387)	(337)	(532)	491	793
Controllable Surplus/(Deficit) for the year	(1,532)	166	(944)	57	412

*Pension service costs are included within operating costs and so are excluded here to give an underlying controllable surplus/(deficit) position.

Statement of financial position for the five years ended 31 March 2023

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Tangible fixed assets	16,494	15,539	13,210	13,452	13,619
Fixed asset investments	2	2	2	1,509	1,510
Net current assets	7,401	10,037	12,844	12,441	11,856
Total assets, less current liabilities	23,897	25,578	26,056	27,402	26,985

Creditors due after more than 1 year	9,672	10,008	10,693	11,151	12,310
Net Pension liability	0	874	20,367	15,424	6,679
Total net assets/(liabilities)	14,225	14,696	(5,004)	828	7,996

Reserves: General Charity Fund	227	127	161	127	161
Investment revaluation	-	-	-	8	8
Revenue reserves	13,998	15,444	15,202	16,117	14,506
FRS 102 pension asset /(liability)	0	(874)	(20,367)	(15,424)	(6,679)
Total Reserves	14,225	14,696	(5,004)	828	7,996

Value for Money

Value for Money is a key focus for the Board and as an organisation we are continuously striving to improve the way we work so that we can provide better services for the people we support. Value for Money is central to this and underpins our strategy.

There are three components to Value for Money:

- Economy relates to keeping down the cost of inputs.
- Efficiency relates to the transformation of inputs to outputs (quantity & quality).
- Effectiveness relates to achieving desired outcomes. Outcomes are what matter to our clients and incorporated into our strategy.

We take a balanced approach to Value for Money that considers performance and investment through three lenses:

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

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

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

Regulator Value for Money Metrics

Value for money metrics were introduced by the Regulator of Social Housing in 2018, to capture performance across the social housing sector in a fair and comparable way.

These metrics are used to assess the financial health of all organisations across the sector. However, it is acknowledged that these metrics are more applicable to the traditional general needs housing providers rather than providers which are more focused on Health and Social care.

St Anne's provides a diverse range of care and support services, all our stock is used to provide either supported housing or specialist care. Supported housing routinely incurs more void units, and costs are significantly higher with greater expenditure on reactive and voids maintenance, time and costs are invested to ensure the property is suitable for the client's specific needs.

The stock profile of traditional housing associations consists mostly of general needs housing. This means that when benchmarking St Anne's performance against the Housing median, the costs and performance are not easily comparable due to the very different services provided.

It is challenging to match the range of care services provided by St Anne's, to other regulated housing associations, but we have endeavoured to select a similar range of peers to benchmark to. Even within the selected peers there are still significant difference in care provision and operations, which again make a like for like comparison difficult.

Regulator Metrics

The table below shows the metrics that were introduced by the Regulator of Social Housing in April 2018.

Regulator Metrics	Actual 21/22	Peer Median	Housing Median	Target 22/23	Actual 22/23	23/24 Target
Reinvestment	13.5%	5.8%	6.4%	8.7%	17.3%	16.8%
New Supply	0.0%	2.2%	1.3%	0.0%	1.5%	0.0%
Gearing	N/A	11.6%	44.7%	N/A	N/A	N/A
EBITDA MRI Interest Cover %	N/A	119.7%	147.0%	N/A	N/A	N/A
Headline Social Housing Cost (Total)	£71,258	£10,254	£4,076	£70,000	£78,535	£81,338
Operating Margin: Social Housing %	6.9%	8.8%	23.7%	6.9%	0.9%	6.1%
Operating Margin: Overall %	1.2%	9.5%	21.5%	0.2%	(2.5%)	0.3%
ROCE%	2.0%	3.9%	3.2%	>2.0%	(4.8%)	>2.0%

Reinvestment

This metric looks at the investment in properties as a percentage of the value of total properties held. We invest in our properties for the benefit of our clients, to improve the standards of housing and meet and exceed the decent homes standard.

Investment in our properties during the year exceeded both the peer median and the housing median, this was expected as we are actively investing in our properties, to improve on historic under investments.

Increased investment has been budgeted for the coming year at 16.8%, to ensure that our assets are well maintained, exceed the decent homes standard and meet our client's needs.

New Supply

This metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units.

During the year, 6 new respite units were purchased at Aachen Brook care home, this equates to 1.5% of our total stock.

There was no development of new supply in the year and development of new housing stock does not form part of strategy for 2023/24, although we will continue to look at opportunities to enhance our offer.

Gearing and EBITDA Interest Cover

These metrics assess the degree of dependence on debt finance and liquidity and investment capacity of the provider. We do not have finance in place and therefore gearing and interest cover are not applicable.

Headline Social Housing Cost

The unit cost metric assesses the headline social cost per unit as defined by the Regulator, the metric is calculated by dividing specified costs by total social housing units owned or managed.

The nature of our services and the requirement to meet our clients' specific individual needs means our spend is much higher than both the median and the peer group.

This metric is not representative of the services provided by St Annes as there is no direct correlation between the number of units we manage and the number of clients that we support. We support some clients in their own homes, we provide outreach, residential day care and hostel support.

Of the £38m costs the Regulator specifies to include in the calculation, £20m relate to services provided which do not have a corresponding social housing unit.

The specialist care services we provide are dependent on the needs of our clients. Some of our clients have very complex needs and can require one to one, or sometimes even two to one care. Providing high levels of quality care and support requires higher staffing levels, this impacts the costs of our organisation when compared to the Housing median and peers.

The social care and support sector continues to report difficulties in recruiting staff. St Anne's has been particularly impacted by this during the year to 31 March 2023 and there has been more reliance on the use of agency staff, to provide care to our clients. Again, this is an additional cost which would not be replicated in by a traditional housing provider. We are working proactively to reduce the use of agency staff and forecast that this will improve in the coming year.

As a supported housing and care provider St Anne's pays for services on behalf of our clients and tenants and recover this through services charges, something that a general needs landlord would not do. There is also an element of staff costs which are recharged to our supported housing tenants, for the intensive housing management services which we provide to meet our clients' needs. The recovery of these costs is not considered within the social housing cost per unit.

We also manage 76 units of accommodation on behalf of other landlords. Whilst these units are included within the denominator, they are subject to a management fee payable back to the landlord. This impacts our average cost per unit. During the year the management fees were total cost of £187k, the corresponding income does not form part of the calculation to offset the cost.

Operating margins

The operating margin demonstrates the profitability of operating assets before exceptional expenses are considered. Increasing margins are one way to improve the financial efficiency of a business.

The Regulator recognises that operating margins in our specialist care and support sector sit well below those of general needs housing providers.

The impact of increased voids is evident when comparing the 0.9% operating margin for social housing lettings to the prior year margin of 6.9%. Weekly void meetings have been actioned between senior management and service managers to address voids and improve our operations. The social housing operating margin is budgeted to increase to 6.1% during 2023-2024

The overall operating margin has been impacted by both voids and agency costs. We would expect this margin to be lower than the Housing median and peers due to the staffing levels which are necessary to provide quality care. Budget challenges have been set for the coming year for voids and agency use we expect the operating margin to move to a positive position.

Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities. It is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric supports registered providers with a wide range of capital investment programmes.

The return on capital employed was targeted to be a positive value for the year, however the underperformance of voids and agency spend have contributed to a negative ROCE. It is expected that the ROCE will return to a positive position in the next year.

St Anne's Value for Money metrics

During the coming financial year, management are committed to developing tailored key performance indicators which will enhance St Annes' ability to monitor and assess performance. Management will develop metrics which underpin and demonstrate the service delivery to our clients, to ensure we can challenge our current performance and continue to make a difference to our client's lives.

St Anne's is committed to embedding a value for money culture in the organisation.

To ensure our staff can influence and drive value within the organisation, all service managers have been involved in the 2023-2024 budget process.

During the coming year we will also undertake a review of our IT contracts and services, to ensure we are achieving best value for the organisation's needs.

For consistency with prior years and whilst additional metrics are being developed, St Anne's continues to monitor two key performance metrics, rents arrears and voids.

Our Metrics	Housing Median 21/22	Actual 22/23	23/24 Target
Rent arrears	6.2%	6.4%	6.0%
Voids	5.2%	7.6%	6.0%

Rent arrears are 0.2% above the housing median, this is driven primarily by housing benefit arrears. We receive housing benefit directly for the majority of our social housing clients and this is paid 4 weekly in arrears.

After a long period of being understaffed, we now have a fully resourced income team. This will enable more focus on income collection, which will have a positive impact on both arrears and our cash position.

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

The budget challenge to lower voids in the coming year should reduce the percentage of void rates from 7.6% to 6.0% or below.

Reserves policy

In the year, the Senior Management Team (SMT) and Board of Trustees have reviewed the reserves policy to both ensure this meets the organisation's long-term objectives, and that the current level of reserves is sufficient for any day-to-day variation in operational need.

The Trustees have considered financial risks, sources of income and variability of costs and agreed the target level of free reserves before pensions, should be maintained at over £7m.

This represents approximately two months of expenditure.

As shown in the table below, free reserves, which are defined as unrestricted reserves, excluding functional assets and the long-term pension asset, were £7.7m at 31 March 2023.

	31-Mar-23 £'000	31-Mar-22 £'000
Unrestricted reserves	14,225	14,696
Exclude functional assets	16,494	15,539
Exclude deferred grants relating to functional assets	(9,930)	(10,254)
Exclude pension asset /(liability)	0	(874)
Free reserves	7,661	10,285

It is recognised that any pension liability/asset is longer-term and will fluctuate over time both up and down, and therefore is not taken into account in calculating free reserves. The Trustees are of the view that, based on the current valuation, the free reserves are sufficient for the next twelve months, when a further assessment will be made.

Investment policy and performance

Our investment policy is designed to support the reserves policy. The organisation has adopted a prudent investment policy to balance potential returns with appropriate levels of risk. The key objectives of our investment policy are to:

- Seek the best financial return within an acceptable level of risk.
- The investment objective for any short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

The Pensions and Investments Committee will continue to monitor the achievement of these objectives and to make any investment recommendations it deems appropriate to the Board.

Subsidiary

St Anne's Community Services has only one subsidiary: St Anne's Trading Limited, a company registered in England and Wales. St Anne's Community Services owns all the issued share capital of St Anne's Trading Limited.

Principal risks and uncertainties

The Board of Trustees has responsibility for ensuring that there is effective risk management, and that internal control systems and processes are in place to manage the organisation's strategic risks and to support the achievement of its strategic objectives.

This responsibility continues to be exercised through an annual review of the effectiveness of our risk management framework including the following:

- Ensuring that the identified risks strike a balance between taking risks and reducing them.
- Recognising that whilst being risk averse is a safe option, it will not necessarily allow the achievement of rewards or opportunities that managing risks well could do.
- Ensuring effective and meaningful risk management adds value, depth, and breadth of quality both for learning and for business growth.

Risk management design:

Through our risk management framework, we continue to demonstrate our ability to identify and manage risks across the organisation, from Board to service delivery level. It supports the business, and both underpins and promotes confidence in growth and development.

Key points:

- Risks are identified and recorded in detail at an operational level, as well as being reported and as necessary escalated to an organisational level.
- Key risks are identified and presented to the Board with a detailed narrative explaining the context and the thinking behind the judgement.
- A risk movement narrative report is maintained and explains the movement and rationale of risks where they have reduced or have been increased.
- The risk management framework is meaningful and effective.

Our approach is consistent and aims for continuous improvement:

- Strong and effective governance which monitors and reviews performance as well as owning and reviewing policy and process.
- Identification of risks and opportunities from both internal and external perspectives, reflecting regulatory, strategic, operational, IT, legal, environmental, and financial issues.
- Detailed measurement and assessment of risk that reviews specific and aggregate exposure, clarifies our risk appetite, and confirms our overall risk profile.
- Applying a three-level approach to risk mitigation to reduce or minimise the impact of risks.

- Providing detailed reporting through SMT, on to committees, and through to Board.

We therefore believe we have a robust and well-developed risk management process, with departmental risk registers feeding into a corporate risk register that identifies and assesses the likelihood and impact of potential risks as well as setting out how the organisation plans to mitigate against those risks. These are organic documents which are reviewed monthly by SMT, all risks are allocated to a Committee and those Committees scrutinise their allocated risks before they are fed into the Corporate Risk Register which then forms part of the compliance documents for the Board. The following are the significant risks St Anne's is currently facing:

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

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

Whilst this could be a risk for St Anne's, as part of our strategy there is a focus on growing our offer with those commissioners and also expanding the services we provide to new commissioning customers. This growth should therefore help to mitigate against any reliance on a few commissioning customers or any other restrictions in funding. In addition we monitor financial performance of all the services we provide and look to pro-actively discuss any funding issues with commissioners.

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

Cyber Security: St Annes uses a number of core systems across the organisation to support both back office and front-line processes. We use cloud-based servers and as a result are able to benefit from the security they provide. We have invested in additional security and conduct external and internal testing of our network.

Structure, governance, and management

St Anne's Community Services is a company limited by guarantee. It is registered with the Charity Commission and is also a registered housing provider, regulated by The Regulator of Social Housing.

It is governed by its Articles of Association, which set out the charitable purposes for public benefit in the following terms:

- To relieve those in need by reason of youth, age, ill-health (including those persons suffering from alcohol, drug, and other substance misuse), disability, financial or other hardship by the provision of welfare and support (financial or otherwise), health and social care, employment, housing, and education support.
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

St Anne's governance arrangements include the Board, several Board committees, and working groups that provide focus on key areas, and a suite of procedures that are designed to ensure our charitable objectives are met. Our Articles of Association meet the needs of our current structures and incorporate flexibility to allow for future development.

Our Board of Trustees

The Board of Trustees are charity trustees as defined by section 177 of the Charities Act 2011. The Board comprises the legal directors of St Anne's, and holds all the charity's powers and authorities under St Anne's Community Services' Articles of Association. The Board of Trustees meets quarterly with additional ad hoc meetings for exceptional business reasons or decision making.

There are clear distinctions between the roles of the Board of Trustees and the Senior Management Team (executives employed by the organisation). The Trustees are ultimately responsible for the overall control and strategic direction of the organisation and for the protection of its assets. Day-to-day management is the responsibility of the Chief Executive and the other members of the Senior Management Team (SMT). Matters such as strategy, policy and budgets are prepared by the SMT for consideration and approval by the Trustees, who then monitor their operation and implementation.

Under the current Articles of Association, members of the Board of Trustees serve an initial term of between 3 and 4 years and can then be reappointed for further such terms but may not serve for more than 9 years unless otherwise agreed by the board for specific reasons. New Trustees are selected through an open recruitment process, which includes advertising in the national press and online, and if appropriate a targeted recruitment search.

St Anne's have appointed 4 new Trustees in the last year, who have undertaken an induction programme based on mandatory training but also tailored to their areas of expertise and governance obligations. All Trustees are provided with training opportunities to help them meet their responsibilities. Our new trustees have been appointed to the appropriate committees in line with their strengths and they are already making significant contributions. The board of St Anne's evaluates the performance of all trustees annually to ensure its overall effectiveness.

Our Committees

The Board has delegated specific responsibilities to several committees, each of which reports to the Board and has detailed terms of reference, which are reviewed annually. The committees meet regularly throughout the year, in accordance with their terms of reference. The committees are:

- Audit and Risk
- Finance and Performance
- Health and Safety
- Pensions and Investments
- Quality and Safeguarding
- Remuneration, Nominations and Governance

Audit and Risk Committee

The Audit and Risk Committee provides the Board with an independent and objective review of the organisation's financial and risk management systems. Financial systems are reviewed through the committee by oversight of the internal audit programme and ensuring compliance with laws and regulations governing the organisation through review of the external audit process. Risks are reviewed in relation to monitoring, checking, and challenging the risk registers and providing assurance that they are being effectively managed.

Finance and Performance Committee

The Finance and Performance Committee exists to oversee and make recommendations to the Board on financial and operational performance issues. It also provides assurance that these are being effectively managed.

Health and Safety Committee

The Health and Safety Committee exists to oversee and make recommendations to the Board on all health, safety, and wellbeing policy issues as well as other health and safety matters. It also provides assurance around issues of statutory compliance ensuring that these are being effectively managed and monitored.

Pensions and Investments Committee

The Pensions and Investments Committee exists to oversee and make recommendations to the Board on all pension and investment matters. It also provides assurance that these are being effectively managed.

Quality and Safeguarding Committee

The Quality and Safeguarding Committee has prime responsibility for advising the Board on the suitability and adequacy of the organisation's quality management systems and processes. It also supports the effective implementation of the governance framework and risk management framework by ensuring the monitoring and reviewing of the impact of their implementation through associated departmental risks and key performance indicators.

Remuneration, Nominations and Governance Committee

The Remuneration, Nominations and Governance Committee provides an oversight role for St Anne's governance.

The Committee regularly reviews the membership of the Board, undertakes a skills gap analysis, and oversees processes for recruiting and appointing potential new Trustees to the Board. It reflects the diversity of the board and hopes to match the diversity of the staff and clients it represents.

The Committee also determines the remuneration and benefits of the Chief Executive and other members of SMT after undertaking a bench marking exercise. Any annual inflationary review for SMT is less than or equal to the inflationary review for all staff.

Our People

Empowering our people is one of the key pillars to St Anne's strategy of delivering "A Life Without Limits". St Anne's recognises that by value, supporting, protecting, and empowering its people, it sustains its reputation for high quality care and support. In the most challenging of years, social care has been shown to be of key importance to society and a sector which plays a vital role in ensuring the safety and welfare of the most vulnerable.

With the cost-of-living crisis, the impact of inflation has been felt by all our colleagues and even more so for the lowest paid. Throughout our staff have ensured standards and quality of care has remained as high as ever. We have worked closely with Local Authorities to ensure the best pay outcomes for our people and have proportionately given the biggest rises to those lowest paid staff. St. Anne's has implemented a variety of different financial and non-financial support packages to assist colleagues over the year.

The passion and dedication shown to improving the lives of others is something that defines the people within St Anne's. Our values are created by our people, and they are lived out every day in our services. Being Person Centred, showing Respect, being Open, Understanding and Dedicated in everything we do is at the heart of what our people do. In the last year we have achieved re-accreditation by Investors in People, with positive feedback on our values and how these are evidenced across all of our services.

We are, as we have always been, incredibly proud of all of our people.

As of 31st March 2023, St Anne's employed 1,350 members of staff made up of: 1,099 Support Workers, 51 Nurses, 46 Deputy Managers, 67 Service or Area Managers working at operational and front-line level in our services, supported by 87 staff in our central support functions or other roles.

In addition to our permanent workforce, St. Anne's has 106 active casuals who support across the organisation and are an integral part of our daily operations in support of our many clients.

As with many social care providers, recruitment and retention remains a high priority. Great strides have been made to increase recruitment which is evident in our current vacancy rates which are significantly lower than industry averages. However, retention is an area which will be given greater focus as we move into the new year.

We are proud of the care and kindness shown by our colleagues throughout the pandemic as they helped the people we support navigate the daunting prospect of repeated Covid-19 vaccinations and to adapting to changes in legislation and guidance. In general, our workforce embraced the requirement to become vaccinated to protect the people they support, which embodies the selflessness of those in social care. The hundreds of examples of dedicated, compassionate, and inspirational support are evidenced by the number of our colleagues nominated in our 2023 PROUD Awards.

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

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

Equality, Diversity, and Inclusion (EDI)

Recognising and celebrating our diversity in an inclusive environment for our staff and clients is, and will continue to be, a priority for St Anne's.

We continue to embed the Skills for Care 'confident with difference' approach to supporting everybody at St Anne's. This year we have recommitted to efforts to maintaining the Mindful Employer, Disability Confident and Stonewall Diversity Champions standards. These standards have all been reviewed and retained throughout the course of the year.

The Board of Trustees plays a key role in the organisation's EDI approach. Recruitment to the Board is widely advertised and actively encourages applications from a diverse range of candidates. All Trustees have undertaken the organisation wide EDI training and there are Trustee sponsors on our diversity groups.

We remain committed to enhancing the voice of underrepresented groups across St Anne's and importantly have been able to rejuvenate our Race Equality Network and LGBTQ+ Network, bringing colleagues back together after meeting virtually for many months. These networks are instrumental in guiding and refining our calendar of days of remembrance and celebration, as well as continually reviewing our supportive resources. Our policies and procedures ensure that we are inclusive and fit for purpose for diverse workforce and client groups. Their design and review ensure that a 'check and challenge' approach is maintained, along with our equality impact assessment processes.

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

Remuneration Policy

We recognise that the skills, knowledge, and experience of our people is a huge contributor to the delivery of high-quality services. In support of our objective to attract, recruit and retain quality staff, we are committed to ensuring that we pay fair and competitive salaries.

Our policy on remuneration is to ensure that St Anne's remains sustainable whilst also offering an attractive reward package that includes both financial and non-financial benefits. Our rates of pay are informed by sector-wide benchmarking through participation in benchmarking studies and comparison with charity and social care sector data. St Anne's has a well-defined and repeatable job evaluation framework, providing a mechanism to score and compare job roles to ensure they sit at the appropriate salary point internally, whilst using benchmarking data from the sector to assess competitiveness.

We continue to invest in our workforce and by concluding our collective bargaining negotiations much earlier than previous years and engaged and kept the wider workforce informed of progress. St Anne's ensures that all its permanent workforce is at a rate which is at least the National Living Wage Foundation rate. We now pay our Support Workers £10.60 per hour after probation, a rate which ensures St Anne's retains competitive rates of pay in Yorkshire and the North-East when compared to its other care sector competitors. St. Anne's has also committed to increasing pay further mid-year in recognition of the external financial strains facing our colleagues. The organisation also offers a range of key terms including above statutory sick pay and annual leave, life assurance, pay enhancements for applicable shifts, a salary exchange pension scheme and a suite of staff benefits.

The Board are consulted on, and approve, decisions on overall pay awards, taking account of affordability, benchmarking, and economic trends in the sector. Remuneration of the executive team is determined by the Remuneration and Nominations Committee, a committee of the Board. No Trustees are paid, although they can claim reasonable expenses.

The organisation complies with its requirements under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and is committed to eliminating gender pay inequality. In March 2023, St Anne's published its most recent gender pay gap report, showing a marginal 3.0% mean pay gap and median of 1.3% in favour of male staff.

Compliance with the Charity Governance Code and the 2020 NHF Code of Governance for Housing Associations

Good governance is a key influence on the organisation's behaviour and culture, as well as facilitating the Board's role in monitoring activities and developments. We always aim for continuous improvement, development and strengthening of our governance systems and processes. We have adopted the current Charity Code of Governance and we carry out a compliance check against the requirements of the Code on an annual basis. Where we identify areas of improvement, we follow these up with an action plan to ensure future compliance. In our governance we also make reference to the latest edition of the NHF Code of Governance as we would like to ensure that we follow best practice from the housing sector too.

The Charity Governance Code

We continue to work on the Charity Governance Code for Larger Charities and provide evidence and examples of good governance standards and practices. Set out in seven principles, along with key outcomes for each principle, the Code sets out the following high standards with which we substantially comply:

- Organisational purpose: Our Board is clear about the charity's aims ensuring that these are being delivered effectively and sustainably.
- Leadership: Our organisation is led by an effective Board that provides strategic leadership in line with our aims and values.
- Integrity: Our Board acts with integrity, adopting values and creating a culture which helps to achieve our organisation's charitable purposes. The Board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.
- Decision-making, risk, and control: The Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are in place and monitored.
- Board effectiveness: The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds, and knowledge to make informed decisions.
- Equality, diversity, and inclusion: The Board has a clear focus on achieving diversity not only at Board level but to ensure this is considered throughout the organisation.
- Openness and accountability: The Board leads the organisation in being transparent and accountable. St Anne's is open in its work, unless there is good reason for it not to be.

The Code is deliberately aspirational, therefore as an organisation whilst we achieve elements of each of the principles within the code we are focused on continuous improvement of our compliance against the Code.

The Housing Code of Governance

In 2020/2021 St. Anne's adopted the 2020 Code of Governance for Housing Associations, we continue to build and evidence the highest standards of governance and board excellence setting out standards that housing associations, their boards, and the wider sector should seek to attain.

Having been completely rewritten and restructured to reflect the changes in society, the economy, and the impact they have on the sector and the importance of a greater focus on and protection of the interests of the people we support. In adopting the code, we continue to work to:

- Ensure the views and needs of clients are at the heart of our strategic decision-making, in line with the "Together with Tenants" Initiative.
- Ensure that measures are in place for the safety of clients, staff, and others.
- Ensure that our Board has an oversight of risk and that it thoroughly tests the impact of potential risk scenarios on our organisation.

The code is built around the key values that good governance is based on and overlaps and complements the Charity Governance Code in its reflection, accountability, integrity, openness, and equality, diversity, and inclusion. It has at its heart four core principles which shape the content of the code, each with a set of requirements for organisations to adopt:

- Mission and values
- Strategy and delivery
- Board effectiveness
- Control and assurance

Compliance with Regulator of Social Housing standards

The Board considers that St Anne's complies with the Governance and Financial Viability Standards for registered social housing providers. Our system of internal control is designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests. Our self-assessment framework contains stress testing of risks and assumptions to ensure objectives and viability are fully deliverable.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which includes the regular evaluation and assessment of the nature and extent of risks to which the organisation is exposed.

The Registered Social Housing regulatory returns, such as financial forecasts, statistical data, and disposal returns, are submitted in an accurate and timely manner. The Board also considers that effective controls are in place to ensure security of assets, the proper, accountable, and transparent use of public funds and that effective systems are in place to monitor and accurately report delivery of our plans. Any risks to the successful delivery of financial plans are identified and effectively managed.

The board is committed to reviewing our self-assessment of the Regulator of Social Housing standards, this has been completed for all standards demonstrating we substantially comply with each of those standards. The Chief Finance Officer monitors compliance with the Economic Standards, and the Director of Housing monitors compliance with the Consumer Standards and keeps Trustees updated on the proposed Social Housing White Paper. Reports for both are also presented to the relevant Committees and Board. There is effective management and scrutiny in place including cost control and improving Value for Money, with regular reporting to the Finance and Performance Committee and the Board.

We will continue to review the regulatory self-assessments again during 2023/24.

Streamlined Energy and Carbon Reporting (SECR)

St. Anne's has followed and used robust and accepted methods to calculate the required information for this SECR Report including the HM Government Environmental Reporting Guidelines 2019, the Governments Sustainability Reporting Guidance 2023, the Greenhouse Gas (GHG) Reporting Protocol, and the UK Government's Greenhouse Gas Reporting Conversion Factors 2023.

Based on this our emissions and energy usage for the financial year were:

UK Greenhouse Gas emissions and energy use data for the period 1 April 2022 to 31 March 2023	22/23	21/22
Data used to calculate emissions		
Gas (kWh)	4,817,595	4,715,910
LPG (kWh)	67,833	84,592
Electricity (kWh)	1,281,178	1,416,462
Transport (kWh)	266,243	235,283
Transport (miles)	320,914	185,893
Scope 1 GHG Emissions (kg CO₂e)		
Gas (Natural)	881,277	848,863
LPG	14,550	17,764
Company / Fleet Vehicles - Diesel	51,174	51,285
Company / Fleet Vehicles - Petrol	11,570	7,233
Total Scope 1 Emissions (kg CO₂e)	958,571	925,145
Scope 2 GHG Emissions (kg CO₂e)		
Electricity (Grid Supplied)	265,299	273,915
Total Scope 2 Emissions (kg CO₂e)	265,299	273,915
Scope 3 GHG Emissions (kg CO₂e)		
Grey Fleet	89,918	51,117
Total Scope 3 Emissions (kg CO₂e)	89,918	51,117
Total GHG Emissions (kg CO₂e)	1,313,789	1,250,177
Emissions Intensity Ratio		
Total kg CO ₂ e per £1.00 of Total Income	0.029	0.029

Intensity Measurement

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

Energy Efficiency Action

St. Anne's recognises the importance of becoming more energy efficient. To minimise our overall energy footprint, we continue to explore energy reduction approaches.

Head office staff relocated to the new office in June 2022. This office is more energy efficient than the previous building and has reduced our scope 2 emissions.

Focused energy reduction actions have been implemented within our IT Infrastructure and interfaces including:

- Cloud computing and server consolidation to reduce the number of physical servers.
- Ensuring all new pieces of hardware are more energy-efficient and use power management where possible.
- E-waste recycling ensures old devices are recycled in an environmentally friendly manner.

Other activities during the year include:

- 2 Electric vans have been ordered for our maintenance team.
- When replacing light fittings, all are replaced with more efficient LED's.
- Ensuring more energy efficient units are fitted when replacing windows and doors.
- Where possible we install electric cookers and fires rather than gas.

Further improvements are planned for the coming year including:

- Reducing the amount of data stored and number of storage devices used, to decrease power consumption.
- Increasing utilisation of power management software.
- Investigating the costs involved to improve energy efficiency of our properties further, particularly focusing on properties with an EPC rating above C.

Internal controls assurance

As part of the internal audit programme St Anne's works with RSM UK Risk Assurance Services LLP, as our independent internal auditors. For 2022/23, the Audit and Risk Committee agreed a programme of internal audits focused around key risk areas which look to further support strong corporate governance and demonstrate robust and effective controls across the organisation.

In addition to the internal audit programme, assurance is also gained from other controls that have been put in place across the organisation in the year. These include:

- Enhancements to periodic reporting across the organisation, but also specifically for committees and Board meetings.
- Risk registers reviewed periodically, with owners assigned to each risk and the relevant risks discussed at each committee and Board meeting.
- The implementation of deep-dive service reviews to understand the financial and operational drivers behind each of our services.
- A timely budget process with full involvement and engagement from stakeholders to ensure the budget and by default our costs and income are better understood.

The programme in 2022/23 has demonstrated some overall improvements in terms of organisational design and effectiveness compared to the audit areas from the previous years, and a number of examples of good practice. However, they equally identified some key areas and recommendations where further improvements can be made, and action plans to address these have been drawn up with progress monitored by the relevant committee.

Considering the above points, Trustees consider that these collectively offer sufficient assurance to be able to regard the internal controls position as satisfactory overall, as well as identifying additional opportunities for improvement.

Compliance with s172 of the Companies Act 2006

The Trustees confirm their compliance with s172 of the Companies Act 2006. Set out below are several examples of compliance, and many others are included in relevant sections throughout this report.

The Trustees recognise the need for the organisation to operate in a way that considers, and is fair to, all of its stakeholders, which is similarly recognised through its charitable purpose and embedded within the culture and values of the organisation (see page 8).

The organisation takes account of the longer-term impacts of its decisions, and in 2020/21 we launched our next 5-year strategy, setting out our strategic commitments, and supporting plans through to 2026 (see pages 7-8). This in particular focuses on our longer-term commitments to; our people; excellent service delivery; and being financial sustainable and delivering value for money.

Employee interests are also at the heart of what we do, as is demonstrated by Person Centred being one of our organisational values and with Empowering our People being one of the pillars within our strategic commitments for the next 5 years (see page 8). Our approach to people, diversity and inclusion and remuneration also has significant focus within St Anne's (see page 21-23). The organisation has a strong regard for both the communities it works within and the environment as set in our Corporate Social Responsibility statement (see page 10) and with both communities and the environment forming part of one of our three strategic commitments for the next 5 years (see page 8).

The Trustees also confirm the organisation's continued drive to maintain a reputation for high standards as demonstrated in the report on the section on strengthening our governance (see page 10), our committee structure (see pages 20-21) and specifically in terms of compliance with the Charity Governance Code and the Code for Governance for Housing Associations (see pages 23-24).

Statement of Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The organisation's charitable objects are enshrined within its Articles of Association and as such the Trustees ensure that the organisation's activities are carried out for the public benefit through the setting and implementation of its strategic priorities. This report also allows us to show how our charitable funds are spent.

Any fundraising activities we conduct are compliant with the Charity Commission's guidance on fundraising.

Statement of Trustees' Responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the annual report, which incorporates the strategic report and financial statements in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the organisation, and of the incoming and outgoing resources and application of resources, including income and expenditure for the period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Housing Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees confirm that, in so far as they are aware:

- There is no relevant audit information of which the organisation's auditor is unaware.
- They have taken all steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

External auditors

Mazars LLP is eligible to act as an auditor under the relevant section of the Companies Act 2006.

By order of the Board


Anthea Sully (Sep 28, 2023 18:19 GMT+1)

Anthea Sully
Chair of Board of Trustees
21 September 2023

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

We have audited the financial statements of St Annes Community Services (the 'charity') for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Statement of Changes in Reserves, Cash Flow Statement and Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included in the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustee' responsibilities statement set out on page 28, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements such as employment regulation, health and safety regulation and anti-money laundering regulation.

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

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

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

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

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


David Hoose (Sep 29, 2023 10:38 GMT+1)

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP
Sep 29, 2023

Statement of Comprehensive Income
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	2	45,417	43,641
Operating costs	2	(46,562)	(43,138)
		(1,145)	503
Profit/(Deficit) on sale of housing property	5	1	(40)
(Deficit) on loss of revaluation of investments	5a	(33)	-
Operating (Deficit) / Surplus	7	(1,177)	463
Interest receivable and similar income	6	219	82
Other finance interest	20	(19)	(417)
(Deficit) / Surplus for the year		(977)	128
Other Comprehensive Income			
Actuarial gain / (loss) in respect of pension schemes	20	506	19,572
Total Comprehensive (Deficit) / Surplus for the year		(471)	19,700

The organisation's results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 21 September 2023 and signed on its behalf by:


 Anthea Sully (Sep 28, 2023 18:19 GMT+1)

Ms A Sully, Chair of Board of Trustees


 Caroline Ashton (Sep 29, 2023 10:56 GMT+2)

Mrs C Ashton, Trustee and Chair of Audit & Risk Committee

Statement of Changes in Reserves

For year ended 31 March 2023	Total
	£'000
Balance as at 31 March 2021	(5,004)
Total Comprehensive Surplus	<u>19,700</u>
Balance as at 31 March 2022	14,696
Total Comprehensive Deficit	(471)
Balance as at 31 March 2023	<u>14,225</u>

Statement of Cash Flows**For year ended 31 March 2023**

	Note	2023 £'000	2022 £'000
Net cash used in operating activities	15	(1,298)	(1,504)
Cash flow from investing activities			
Acquisition and construction of housing properties		(1,069)	(339)
Purchase of other tangible fixed assets		(751)	(3,053)
Purchase of intangible fixed assets		-	(26)
Proceeds from sale of fixed assets		-	(33)
Capital Grants received		67	-
		<u>(1,753)</u>	<u>(3,451)</u>
Interest received and similar income		219	82
Net change in cash, cash equivalents and money market deposits		(2,832)	(4,873)
Cash, cash equivalents and money market deposits at beginning of the year		10,908	15,781
Cash, cash equivalents and money market deposits at end of the year		<u>8,076</u>	<u>10,908</u>

The accompanying notes form part of these Financial Statements

Statement of Financial Position

For year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed Assets			
Housing properties	8	9,595	8,699
Other tangible fixed assets	9	6,858	6,768
Intangible fixed assets	9	41	72
Fixed asset investments	10	2	2
		16,496	15,541
Current assets			
Trade and other debtors	11	4,593	4,895
Investments	12	4,562	4,516
Cash and cash equivalents		3,514	6,392
		12,669	15,803
Creditors: amounts falling due within one year	13	(5,268)	(5,766)
Net current assets		7,401	10,037
Total assets less current liabilities		23,897	25,578
Creditors: amounts falling due after more than one year	14	(9,672)	(10,008)
Provision for Liabilities	17	-	-
Net pension asset / (liability)	20	-	(874)
		14,225	14,696
Total net assets / (liabilities)		14,225	14,696
Reserves			
Investment revaluation reserve		-	-
Income and expenditure reserve		14,225	14,696
		14,225	14,696

The accompanying notes form part of these Financial Statements

The financial statements were approved by the Board on 21 September 2023 and signed on its behalf by:


Anthea Sully (Sep 29, 2023 14:18 GMT+1)

Ms A Sully, Chair of Board of Trustees


Caroline Ashton (Sep 29, 2023 15:23 GMT+2)

Mrs C Ashton, Trustee and Chair of Audit & Risk Committee

Company Registration Number 1089026

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****Legal status**

St Anne's Community Services is a registered housing provider, a charity and a company limited by guarantee. The registered office is Unit 5, Fountain Court, Bruntcliffe Way, Morley, Leeds, LS27 0JG. The organisation is incorporated in England and Wales, company registration number 1089026.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are presented in Sterling (£). St Anne's Community Services is a public benefit entity in accordance with FRS 102. The financial statements have been prepared on the historical cost basis except where specified in the accounting policies.

Going concern

The organisation's business activities, its current financial position and factors likely to affect its future development are set out in the report of the Trustees (incorporating the strategic report). The organisation has cash and investment balances which provide adequate resources to finance the organisation's day to day operations and committed expenditure. The organisation has a plan which shows that these resources are sufficient to continue to fund operations.

Our planning processes, including financial projections, take into consideration the current economic climate and in particular the currently known impact of Covid-19, hence ultimately the potential impact on our various sources of income and planned expenditure. We acknowledge our pension fund obligations and are developing a clear strategy to manage the deficit on the West Yorkshire Pension Fund. The Audit Committee and the Board have carefully considered the relevant conditions and performed an assessment. The Trustees have concluded, based on a review of forecasts and budgets, that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the organisation to continue as a going concern.

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. For this reason, the organisation continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of depreciable assets – management reviews its estimate of the useful economic lives of depreciable assets at each reporting date based on the expected use of the assets. Uncertainties in these estimates primarily relate to changes in improvement programmes for components and the Decent Homes Standards, which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2023 was £13,390k.

Defined benefit obligation – management's estimate of the defined benefit pension valuation is based on several critical underlying assumptions such as the standard rate of inflation, mortality, discount rate and anticipation of future salary increases. Variations in these assumptions may significantly impact on the valuation of the defined benefit obligation and the annual defined benefit expenses. The defined benefit pension asset at 31 March 2023 was £28,545k (2022: £874k liability). No pension scheme asset has been recognised in this financial year due to concerns given the current economic environment, in particular volatile interest rates and inflation rates, any asset recognised may be transitory and will not be reflected in a reduction of contributions. Further details and explanations are in note 20.

Basis of consolidation

The organisation has taken advantage of the exemption from preparing group financial statements contained in Section 402 of the Companies Act 2006 on the grounds that its subsidiary undertaking is immaterial to the Group under section 405(2) of the Act. Details of the subsidiary undertaking are set out in note 10.

Turnover and revenue recognition

Turnover comprises rental income receivable, fees and grants from central and local government activities. Revenue grants are recognised as income when the conditions for receipt of grant funding have been met and/or they no longer meet the criteria to allow them to be retained on the balance sheet. Rental income is recognised when properties become available for letting, net of any voids. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with administering authorities.

Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings and development costs.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of Housing Properties

The organisation separately identifies the major components which comprise its properties held for social housing and non-social housing lettings and charges depreciation, so as to write down the cost of each component to its estimated realisable value, on a straight-line basis, over its estimated useful economic life.

The organisation depreciates the major components of its properties held for social and non-social housing lettings using the following useful lives:

Structure	75 years
Roof	50 years
Electrics	40 years
Heating, ventilation and plumbing	30 years
Windows	30 years
Boilers, kitchens & bathrooms	15 years

Other fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal monthly instalments over the expected useful lives of the assets. The useful economic lives applied are as follows:

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

Government Grants

Government Grants include grants receivable from Homes England, local authorities, and other government organisations. Where Government Grants have a corresponding legal charge on the property for the open market value then the grant will be recorded at the net book value of the asset. Where Government Grants are not linked to an open market value legal charge, then these are recognised in income over the life of the asset under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the organisation will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Other Grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the organisation is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Impairment

Annually, housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken, comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the organisation, its recoverable amount is its fair value less costs to sell.

Investments

Non-quoted investments are accounted for on a historical cost basis less any provision for impairment. Quoted investments are accounted for at market value at the balance sheet date. Any upward movement in valuation is taken to the investment revaluation reserve and shown in the Statement of Comprehensive Income except to the extent that an upward revaluation is in respect of a previous reduction charged as impairment to the Income and Expenditure account. In this event, the upward revaluation is credited to the Income and Expenditure account to the extent of the previously impaired value. Any reduction in investments value is charged to the investment reserve and shown in the statement of total recognised surpluses and deficits, to the extent that there has been a previous upward valuation. Any excess reduction in market value over previous upward valuations is charged to the income and expenditure account.

Financial Instruments

Basic and non-basic financial instruments (as defined in Section 11 of FRS102) are shown at market value (for quoted investments) or at transaction value less any provision for impairment. The organisation has not adopted hedge accounting for any financial instruments.

Allocation of head office expenses

Head office salaries and overhead expenses are charged to the various housing and non-housing activities of the organisation as a percentage of income.

General Charity Fund

The General Charity Fund has been created from donations and the proceeds of fundraising activities and is available to meet expenditure within the organisation's objectives for which no other finance is available. The Fund is included within Income and Expenditure Reserves in the Statement of Financial Position.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the organisation. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Where deferral of payment terms has been agreed at below market rate, and, where material, the balance is shown at the present value, discounted at a market rate.

Cash and Cash equivalents

Cash is represented by cash in hand and deposits within financial institutions.

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Creditor balances arising through contracts will be held on the balance sheet for six years from the point they have arisen, or from the point our records show they have arisen, whichever is the later, on the basis this is a reasonable limitation period. However, such balances will be looked at on a case-by-case basis and if based on management judgement they believe there is still a reasonable chance of a valid claim against a creditor balance they may be held on the balance sheet for a longer period of time.

Provision for liabilities

Provisions are recognised when the organisation has an obligation as a result of a past event. The organisation recognises a provision for future losses on contracts entered into before the year end. The amount recognised as a provision is the best estimate of the expected losses over the remaining term of these contracts.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. The organisation recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Pensions

The organisation participates in two funded multi-employer defined benefit schemes, the National Health Service Pension Scheme ("NHS Pension Scheme") and the West Yorkshire Pension Fund ("WYPF"). For the National Health Service Pension, the scheme does not allow identification of the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge includes the employer contribution payable to the scheme for the accounting period. The NHS Pension Scheme is in respect of those specific employees who have transferred their employment into the organisation via a TUPE agreement agreed with commissioners in relation to specific contractual and legal agreements.

For WYPF, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the organisation through reduced contributions or through refunds from the plan. The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

The government introduced auto enrolment pension schemes when employers were phasing out their provision of pension schemes for employees due to cost. The auto enrolment scheme allows eligible employees access to a pension scheme that is contributed to by their employer as well as themselves. Scottish Widows is the auto enrolment pension scheme for the organisation's contracted staff with The People's Pension chosen as the provider for our non-contracted (casual) staff. Eligibility to be automatically enrolled on the Scottish Widows scheme is that the member of staff must be over 21 years old but under state pension age and be paid over £10k per annum. Contributions to the scheme are three per cent from St Anne's and five per cent from the employee. Eligible staff will automatically be enrolled but with the option to opt out. Any employee that exercises their option to opt out of the scheme will be automatically re-enrolled every three years (as part of the tri-annual assessment) if they are eligible, to allow them the opportunity to become a member of a pension scheme and make a provision for their retirement through this route. They will be given the option to opt out each time.

Supported housing managed by agencies

Social housing capital grants are claimed by the organisation as developer and owner of the property and included in the balance sheet of the organisation as appropriate.

The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the organisation and its managing agents and on whether the organisation carries the financial risk.

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

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

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

For year ended 31 March 2023	Turnover	Operating costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings	14,255	(14,120)	135
Other social housing activities			
St Anne's Centre	245	(289)	(44)
Respite Services	2,736	(2,250)	486
Tenancy support - Other funding	17,314	(18,217)	(903)
Funded projects	1,216	(1,212)	4
Other	871	(1,255)	(384)
Total other social housing activities	22,382	(23,223)	(841)
Non-social housing activities			
Lettings	8,319	(8,760)	(441)
Other	461	(459)	2
Total non-social housing activities	8,780	(9,219)	(439)
Grand total	45,417	(46,562)	(1,145)

For year ended 31 March 2022	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000
Social housing lettings	14,084	(13,106)	978
Other social housing activities			
St Anne's Centre	314	(246)	68
Respite Services	2,554	(2,357)	197
Tenancy support - Other funding	16,894	(16,523)	371
Funded projects	1,177	(1,185)	(8)
Other	292	(599)	(307)
Total other social housing activities	21,231	(20,910)	321
Non-social housing activities			
Lettings	7,927	(8,666)	(739)
Other	399	(456)	(57)
Total non-social housing activities	8,326	(9,122)	(796)
Grand total	43,641	(43,138)	503

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

For year ended 31 March 2023	Hostels & Supported Housing £'000	Residential Care Homes £'000	2023 Total £'000	2022 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	1,856	6,163	8,019	7,420
Service income	1,938	-	1,938	2,767
Charges for support services	1,319	-	1,319	783
Net rental income	5,113	6,163	11,276	10,970
Revenue grants	-	-	-	1
Other income	1,184	1,642	2,826	2,967
Amortisation of government grants	92	61	153	146
Turnover from social housing lettings	6,389	7,866	14,255	14,084
Expenditure on social housing lettings				
Management and care	(4,475)	(7,066)	(11,541)	(10,545)
Services	(608)	(560)	(1,168)	(1,132)
Routine maintenance	(896)	(428)	(1,324)	(1,349)
Bad debt	(80)	(7)	(87)	(80)
Operating costs on social housing lettings	(6,059)	(8,061)	(14,120)	(13,106)
Operating surplus on social housing lettings	330	(195)	135	978
Void losses	(757)	(333)	(1,090)	(549)

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)**ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT**

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

	2023 No.	New Units	Units taken out of use	2022 No.
Social housing				
Supported housing and hostels	273	1	-	272
Residential care homes	139	6	-	133
Total owned	412	7	-	405
Accommodation managed for others	76	-	-	76
Total managed	488	7	-	481
Non-social housing				
Registered nursing homes	83	-	-	83
Total owned	83	-	-	83
Accommodation managed for others	-	-	-	-
Total managed	83	-	-	83

FUNDRAISING

	2023 £'000	2022 £'000
Gifts and donations received	122	107
Direct charitable expenditure	0	(21)
Transfer to general charity fund	122	86

3. KEY MANAGEMENT PERSONNEL

	2023	2022
	£'000	£'000
Emoluments of the organisation's key management personnel (salary, pension contributions, employer's national insurance and benefits in kind)	916	704
Compensation for loss of office	0	0
Emoluments of the highest paid employee (excluding pension contributions)	175	174

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

	2023	2022
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£80,001- £90,000	-	2
£90,001 - £100,000	-	2
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£150,001 - £160,000	-	-
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-

In 2022/23 there were 8 different people included as part of the Senior Management Team. The SMT is made up of the following roles: CEO, CFO, Director of Operations, HR Director, Housing Director, and Director of Business Development.

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

	2023	2022
	£	£
Total expenses* reimbursed to the directors of the organisation	-	-

**The Trustees (all of whom are directors) receive only essential expenses.*

4. EMPLOYMENT INFORMATION

Average monthly number of employees expressed in full time equivalent of 37.5 hours:	2023	2022
	No.	No.
Finance and administration staff	68	72
Maintenance and housing staff	8	8
Care staff	1,025	1,034
	1,101	1,114

Headcount average:	2023	2022
	No.	No.
Finance and administration staff	72	75
Maintenance and housing staff	8	8
Care staff	1,219	1,231
	1,299	1,314

Employee costs:	2023	2022
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	34,574	31,740
Social security costs	2,509	2,380
Other pension costs	984	1,125
	38,067	35,245

5. SURPLUS /(DEFICIT) ON DISPOSAL OF HOUSING PROPERTIES

	2023	2022
	£'000	£'000
Disposal proceeds	1	(31)
Carrying value of asset	-	(9)
	1	(40)

5a. SURPLUS /(DEFICIT) ON REVALUATION OF INVESTMENTS

	(33)	-
	(33)	-

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£'000	£'000
Interest Receivable	96	66
Fundraising and Donations	123	16
	219	82

7. OPERATING (DEFICIT) / SURPLUS

Operating deficit/surplus is arrived at after charging:

	2023	2022
	£'000	£'000
Depreciation of freehold housing property	280	230
Depreciation of other fixed assets	451	408
Auditors' remuneration (excluding VAT):		
Fees payable for the financial statement audit	53	41
Overprovision for previous year	(16)	-
Fees for other audit services: audit of subsidiary accounts	4	3
Total audit services	41	44
Tax compliance services	13	13
Total non-audit services	13	13
Operating leases		
- Land & buildings	216	216
- Other	255	423

8. TANGIBLE FIXED ASSETS – Housing Properties

	Freehold housing property
	£'000
Cost	
Balance at 1 April 2022	14,843
Additions to existing properties	1,069
Transfers	239
Disposals	(223)
Balance at 31 March 2023	<u>15,928</u>
Depreciation	
Balance at 1 April 2022	6,144
Charge for the year	280
Disposals	(91)
Balance at 31 March 2023	<u>6,333</u>
Net book value at 31 March 2023	<u>9,595</u>
Net book value at 31 March 2022	<u>8,699</u>

	2023	2022
	£'000	£'000
Expenditure on works to existing properties:		
Improvement works capitalised	1,069	339
Amount charged to income and expenditure account	590	662
	<u>1,659</u>	<u>1,001</u>

The total accumulated amount of capital grants received as at the balance sheet date is £19.5m (2022: £19.6m).

8. TANGIBLE FIXED ASSETS - Social Housing Grants

	2023	2022
	£'000	£'000
Balance at 1 April	10,254	10,938
Received in year	67	-
Amortised within Statement of Comprehensive Income	(133)	(241)
Released on disposal	(258)	(443)
Balance at 31 March	9,930	10,254
Recognised in:		
Creditors: amounts falling due within one year	258	247
Creditors: amounts falling due after more than one year	9,672	10,007
	9,930	10,254

Social Housing Grants are receivable from the Homes and Communities Agency. Grants received for properties under construction are classified as creditors falling due within one year. Once properties have been completed, the grant is classified as a creditor falling due after more than one year and is amortised over the life of the structure of those properties.

9. TANGIBLE FIXED ASSETS – Other fixed assets

Cost	Other freehold properties	Capital work in progress	Office and workshop equipment	Computer Equipment	Furniture fixtures and fittings	Intangible assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	6,309	2,631	240	1,001	3,148	151	13,480
Additions	347	259	-	159	67	-	832
Transfers	2,119	(2,510)	-	-	71	-	(321)
Disposals	-	-	-	-	(35)	-	(35)
Balance at 31 March 2023	8,775	380	240	1,160	3,251	151	13,957
Depreciation							
Balance at 1 April 2022	2,523	-	237	819	2,982	79	6,640
Charge for the year	142	-	3	129	147	31	451
On disposals	(1)	-	-	-	(33)	-	(34)
Balance at 31 March 2023	2,664	-	240	948	3,096	110	7,057
Net book value							
Balance at 31 March 2023	6,111	380	0	212	155	41	6,899
Balance at 31 March 2022	3,786	2,631	3	182	166	72	6,840

10. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2023 £'000	2022 £'000
Interest in subsidiary	-	-
Investment fund plans, at valuation	2	2
Net book value at 31 March	2	2

The historical cost of fixed asset investments is £nil (2022: £nil).

Investment Fund Plans	£'000
Market value at 1 April 2022	2
Disposals	-
Additions	-
Change in market value	-
Market value at 31 March 2023	2

Interest in subsidiary

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

The trading results are consolidated numbers of St Anne's Community Services and St Anne's Trading Limited, whose results are presented and audited in their own Annual Report. The financial statements of St Anne's Trading Limited can be obtained from the registered office at Unit 5, Fountain Court, Bruntcliffe Way, Morley, Leeds, LS27 0JG .

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Arrears of rent	909	683
Less: Provision for bad and doubtful debts	(199)	(132)
	<u>710</u>	<u>551</u>
Invoiced debtors	3,150	3,633
Other debtors	157	152
Prepayments and accrued income	574	485
Amounts owed by subsidiary company	2	74
	<u>4,593</u>	<u>4,895</u>

12. CURRENT ASSET INVESTMENT

	2023	2022
	£'000	£'000
Money market deposits	4,070	3,991
Listed investment fund	492	525
Current asset investments	<u>4,562</u>	<u>4,516</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade creditors	1,977	1,884
Pension contributions	13	167
Other creditors	213	420
Accruals and deferred income	2,247	2,512
Other taxation and social security	560	536
Deferred capital grant income	258	247
	<u>5,268</u>	<u>5,766</u>

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

	2023	2022
	£'000	£'000
Other loan	-	1
Deferred grant income	9,672	10,007
	9,672	10,008

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

	2023	2022
	£'000	£'000
Deferred Grant Income:		
At 1 April 2022	10,254	10,938
Received in year	67	-
Repaid in year	(133)	(443)
Released to income	(258)	(241)
At 31 March 2023	9,930	10,254
Released in one year	258	247
Released in more than one year	9,672	10,007
	9,930	10,254

15. NET CASH USED IN OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
(Deficit) / Surplus for the year	(471)	19,700
Interest Receivable and Similar Income	(219)	(82)
Depreciation	732	638
Surplus on disposal of fixed assets	0	40
Amortisation/Release of grants	(258)	(241)
(Increase) / Decrease in debtors	302	(1,922)
(Decrease) / Increase in creditors	(510)	(144)
FRS102 Pension Adjustment	(874)	(19,493)
	(1,298)	(1,504)

16. CAPITAL COMMITMENTS

At 31 March 2023, St Anne's had capital commitments of £381k, for all of which contracts had been placed. (2022: £178k)

17. PROVISION

At 31 March 2023, following a review by Management, and in accordance with Accounting Standards, there were £nil provisions (2022: £nil).

18. CONTINGENT LIABILITIES

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

19. LEASING COMMITMENTS

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

	2023		2022	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring:				
In one year or less	204	154	198	127
Between one and five years	12	102	18	296
	216	255	216	423

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

	2023	2022
	Land and buildings	Land and buildings
	£'000	£'000
Leases expiring:		
In one year or less	44	56
Between one and five years	122	98
	166	154

20. PENSIONS

The organisation utilises four pension schemes: National Health Service (NHS) Pension scheme, Peoples Pension, Scottish Widows and the West Yorkshire Pension Fund. The West Yorkshire Pension Fund is a defined benefit scheme. Membership of the West Yorkshire Pension Fund was closed to new employees with effect from 31 March 2012. We have a number of TUPE staff who are members of the NHS Pension Scheme.

NHS Pension Scheme

The NHS Pension Scheme is a multi-employer defined benefit scheme. The scheme is unfunded. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers and, due to the nature of the scheme, the income and expenditure account charge for the period under FRS102 represents the employer contribution payable.

Employer contributions were made at the rate of 14.38% during the accounting period. Payments to the scheme in the period amounted to £165k (2022: £180k). Members' contributions are banded according to earnings. The scheme is subject to full valuations every four years (previously every five years). The last valuation took place as at 31 March 2017. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published every October. These accounts can be viewed on the NHS Pension Agency website at www.nhs.gov.uk.

The People's Pension auto enrolment pension scheme

Contributions were made at 3% during 2022-23. The total payments to The People's Pension auto enrolment pension scheme during the period were £46k (2022: £32k).

Scottish Widow auto enrolment pension scheme

Contributions were made at 3% and 6% (7% - 10% for the small number of members of the Scottish Widow Group Personal Pension that preceded the auto enrolment scheme). The total payments to the Scottish Widow auto enrolment pension scheme during the period were £1,880k (2022: £1,659k).

West Yorkshire Pension Fund

The West Yorkshire Pension Fund (WYPF) is a multi-employer scheme with more than one participating employer, which is administered by the City of Bradford Metropolitan District Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit credit method.

Contributions

The employers' regular contributions to the WYPF by St Anne's for the year ended 31 March 2023 at 36.7% of pensionable pay were £61k (2022: £577k). The employers' contribution rate has been fixed at 36.2% of pensionable pay for the year ending 31 March 2024. Employees' contribution rates have been fixed at rates between 5.5% and 8.5% dependent on salary levels.

As the scheme is closed to new members, under the projected unit method of valuation, the current service cost will increase as the members of the scheme approach retirement.

Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 102 basis were:

	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20
	% per annum	% per annum	% per annum	% per annum
Rate of increase in salaries	3.95	2.2	3.0	2.2
Rate of increase in pensions in payment	2.7	3.0	2.7	1.9
Discount rate	4.7	2.7	2.1	2.3
Inflation assumption - RPI	-	-	-	-
Inflation assumption - CPI	2.7	3.0	2.7	1.9

Mortality assumptions

The post-retirement mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The sample life expectancies at age 65 resulting from these mortality assumptions are:

	2023	2022
	% per annum	
Retiring today:		
Males	21.6	21.8
Females	24.6	24.6
Retiring in 20 years:		
Males	22.9	22.5
Females	25.7	25.7

Amounts recognised in the Statement of financial position

	2023	2022
	£'000	£'000
Present value of funded obligations	(76,666)	(106,981)
Fair value of plan assets	105,211	106,107
Net pension asset / (liability)	28,545	(874)
Less notional surplus not recognised	(28,545)	-
Net pensions recognised in the Statement of financial position	-	(874)

Amounts recognised in surplus or deficit

	2023	2022
	£'000	£'000
Current service cost	54	236
Past service cost	-	-
Amounts charged to operating costs	54	236
Interest on net defined benefit liability	19	416
Amounts charged to other finance costs	19	416

Amounts recognised in other comprehensive income

	2023	2022
	£'000	£'000
Actuarial gains on liabilities	30,398	10,859
Actuarial gains / (losses) on assets	(1,347)	8,449
Net amount recognised in other comprehensive income	29,051	19,308

Changes in present value of defined benefit obligations:

	2023	2022
	£'000	£'000
Opening defined benefit obligation	106,981	118,784
Current service cost	54	236
Interest cost	2,851	2,441
Actuarial (gains) / losses on liabilities	(30,398)	(10,859)
Benefits/transfers paid	(2,832)	(3,659)
Member contributions	10	38
Closing defined benefit obligation	76,666	106,981

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

	2023	2022
	£'000	£'000
Opening fair value of assets	106,107	98,417
Interest income on scheme assets	2,832	2,289
Actuarial gains on assets	(1,347)	8,449
Contributions by employer	441	573
Member contributions	10	38
Net benefits paid	(2,832)	(3,659)
Closing defined benefit obligation	105,211	106,107

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

	2023	2022
Equities	80.80%	79.80%
Property	3.30%	4.00%
Government Bonds	6.90%	7.40%
Corporate Bonds	4.60%	4.80%
Cash	2.30%	2.90%
Other	2.10%	1.10%
	100.00%	100.00%

	2023	2022
	£'000	£'000
Actual return on plan assets	1,485	8,991

Admission Agreement for admission to West Yorkshire Pension Fund

In connection with a contract between City of Bradford Metropolitan Council and the organisation, an agreement for admission to a new section of WYPF was entered into with effect from 20 December 2011. The agreement is specific to eligible staff transferred to St Anne's by virtue of the contract and will terminate on the expiry or earlier termination of the contract. This section of the WYPF was fully funded at the start of the agreement. Subject to the organisation complying with specific clauses in the agreement, any deficit relating to this section of the fund will be subsumed by the council. Following the scheme valuation as at 31 March 2022, employer contributions of £22k were required for the year ending 31 March 2023.

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

The McCloud judgement

In December 2018, the Court of Appeal ruled that the transitional protection offered to some members of public sector pension schemes as part of reforms to those schemes amounted to unlawful discrimination, as a result an allowance should be made for the McCloud Judgement in accounts, however the allowance is highly dependent on the salary increase assumption. As the assumed rate of CPI for St Anne's salary increases is less than CPI, McCloud will not have an impact and no allowance is therefore included in these financial statements.

21. RELATED PARTY TRANSACTIONS

The organisation paid £36k (2022: £45k) on behalf of St Anne's Trading Ltd (see note 10). St Anne's Trading made a Gift Aid Distribution of profits to St Anne's Community Services of £21k (2022: £2k). There were no other related party transactions in the year. The amount due from St Anne's Trading Ltd to St Anne's Community Services at the year-end was £2k (2022: £74k).

22. CATEGORIES OF FINANCIAL ASSETS AND LIABILITES

	2023	2022
	£'000	£'000
Financial Assets at amortised cost		
Rent and Service Charges receivable	710	551
Invoiced Debtors	3,150	3633
Other debtors	157	152
Accrued Income	170	162
	<u>4,187</u>	<u>4,498</u>
Financial liabilities at amortised cost		
Trade creditors	1,977	1,884
Other creditors	213	420
Deferred capital grant	258	247
Accruals and deferred income	2247	2,512
Other taxation and social security	560	536
Pension contributions	13	167
	<u>5,268</u>	<u>5,766</u>