

Registered Charity Number 202151

ST MONICA TRUST

Annual Report and Financial Statements

Year ended 31 December 2015

ST MONICA TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

CONTENTS

	Page
Report of the Trustee	1
Independent auditor's report	16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20

ST MONICA TRUST

REPORT OF THE TRUSTEE

For the year ended 31 December 2015

The Council presents its annual report and the audited financial statements for the year ended 31 December 2015.

The financial statements comply with the Charity Commission Scheme and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)".

1. Reference and administrative details of the Charity, its Trustee and Advisers

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

Charity Registration Number 202151

Names and addresses of other relevant organisations:

Trustee

St Monica Trustee Company Limited (a company limited by guarantee registered number 9357207) is the sole trustee of St Monica Trust by virtue of the Charity Commission Scheme dated 19 December 2015. The directors of St Monica Trustee Company Limited, the Corporate Trustee, have ultimate responsibility for the administration of the charity and are regarded for internal governance purposes as being trustees. The Directors are referred collectively in this report as the Council of St Monica Trust, the members of which served throughout the year and since the year-end and are set out below:

The Council

Mr S A Burnett	Mr M Bothamley - appointed 18 March 2016
Ms H E Moss OBE	Mrs J E Corke
Mr C A Griffiths	Mr J H Kane
Mr J S Laycock	Mr M D Lea
Mr P J Rilett	Mr T Smallwood OBE - retired 21 October 2015
Dr R Slinn	Dr R P H Wilde
Lady Wills	Mr R T Wynn-Jones
Mr A T Yates	Reverend Canon Neil Heavisides - retired 28 September 2015

Mr C A Griffiths was elected President and Chair of the Trust in October 2015.

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

Chief Executive

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

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued) For the year ended 31 December 2015

1. Reference and administrative details of the Charity, its Trustee and Advisers (continued)

Management of the Permanent Endowment

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

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

Auditor	Deloitte LLP 3 Rivergate Temple Quay Bristol BS1 6GD	
Bankers	NatWest Bank plc 32 Corn Street Bristol BS99 7UG	Lloyd's Bank Canon's House, Canon's Way Bristol BS99 7LB
Solicitors	Bond Dickinson LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ	
Investment Adviser	Cambridge Associates 80 Victoria Street Cardinal Place London SW1E 5JL	
Commercial Property Managing Agent	Alder King LLP Pembroke House 15 Pembroke Road Bristol BS8 3BA	
Agricultural Estates	Mr Ben Knight MRICS Savills 14 Cirencester Office Park Tetbury Road Cirencester GL7 6JJ	

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued) For the year ended 31 December 2015

2. Structure, Governance and Management of the Charity

History

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

Governing instrument and objects

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

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

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

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

Organisational structure

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

The Finance Committee

The Committee is responsible for overseeing the financial management and performance of the Trust, including the establishing of annual budgets and liaising with the Endowment Trustee in relation to financial planning.

Mr C A Griffiths – President, Ex Officio
Mr P J Rilett – Chair
Mr J H Kane
Mr J S Laycock
Mr M D Lea
Mr R T Wynn-Jones
Mr A T Yates

The Care Committee

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

Mr C A Griffiths – President, Ex Officio
Mrs J E Corke – Chair
Reverend Canon Neil Heavisides
Mr J H Kane
Ms H E Moss OBE
Dr R Slinn
Lady Wills
Dr R P H Wilde

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued) For the year ended 31 December 2015

2. Structure, Governance and Management of the Charity (continued)

The Human Resources Committee

The Committee is responsible for overseeing personnel and training activities.

Mr C A Griffiths – President, Ex Officio
Mr S A Burnett – Chair
Mr M Bothamley
Ms H E Moss OBE

The Development and Construction Committee

The Committee is responsible for overseeing new developments and monitoring the building work involved in ongoing projects.

Mr C A Griffiths – President, Ex Officio
Mr J S Laycock – Chair
Mr S A Burnett
Mr P J Rilett
Mr A T Yates
Mr T Smallwood OBE (co-opted)

The Community Committee

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

Mr C A Griffiths – President, Ex Officio
Ms H E Moss OBE – Chair
Mrs J E Corke
Lady Wills
Dr R P H Wilde
Mrs C Duckworth (co-opted)

The Audit Committee

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

Mr C A Griffiths – President, Ex Officio
Mr J H Kane – Chair
Mr M Bothamley
Mr J S Laycock
Mr P J Rilett

The Trustee Nominations Committee

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

Mr C A Griffiths – President, Ex Officio
Ms H E Moss OBE

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued)

For the year ended 31 December 2015

2. Structure, Governance and Management of the Charity (continued)

Senior Staff Pay policy

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

The trustees consider the board of trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 7 to the accounts.

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

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

Trustee induction and training

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

Risk assessment

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

Financial risk management

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

- Price risk – The Trust negotiates service contracts and fee rates to finance aspects of the Trust's activities and incorporates this information into its business plan. Salary costs are communicated to staff during the formal annual review of salaries. Prices of services and materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – credit risk on accounts owed to the Trust by its customers is low, as the majority of debtors are Local Authorities.
- Liquidity risk – the Trust has borrowing facilities of £21.2 million, £3.6 million of which is long-term. £11.1 million was drawn down as at 31 December 2015.
- Interest rate cash flow risk – the Trust is able to place surplus funds in a short-term deposit account with its bankers.
- Investment market risk – the Trust invests in a diversified portfolio of investments and properties in order to spread the risk.

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued) For the year ended 31 December 2015

2. Structure, Governance and Management of the Charity (continued)

Going concern

The Trust's activities, together with the factors likely to affect its future development, performance and position are set out in this Report of the Council. The balance sheet on page 18 sets out the financial position of the Trust and its cash flows can be seen in the cash flow statement on page 19.

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

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

Related parties and connected charities

Details of related parties and connected charities and transactions with them are disclosed in note 23 to the financial statements.

Trustees' statement of responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

2. Structure, Governance and Management of the Charity (continued)

Reserves

The accounting policies on pages 20 to 23 describe the various funds of the Trust. Note 18 to the financial statements shows the assets and liabilities attributable to the various funds by type and summarises the year's movement on each fund. The Trustees' policy is to build up unrestricted reserves to £28 million, as this figure is equivalent to approximately 12 months' projected operating costs of the Residential Care and Support and the Grants and Gifts objects. This will be achieved through retained surpluses on the Unrestricted Fund and will incorporate the value of the Designated Fund. At 31 December 2015 the value of unrestricted reserves was £18.0 million.

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

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

3. Objectives, Activities, Achievements and Performance

(A) Overview

The St Monica Trust reviews its aims, objectives, activities and performance on a regular basis. 2015 was the last twelve months of a strategic plan for the period 2012 - 2015. The primary goals of the strategic plan are:

- **Lifting the core**
To deliver a high quality outcome-focused service, which will continually improve the organisation's response to our customer's changing expectations of well being.
- **Expanding our services**
To evolve our offering and capability to provide a fuller range of innovative services which attract, engage, and retain our customers.
- **Reaching new customers**
To grow our business by making our services available to new customers in new settings through new service concepts.

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

The St Monica Trust has also used the last 12 months to consult with all major stakeholders in the development of a 5 year strategic plan which was implemented in January 2016.

The Trust also acquired the former Cadbury Chocolate factory in Keynsham with the intention of developing its fifth retirement village, due for completion in June 2017.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(B) The focus of our work

2015 saw the St Monica Trust's 90th anniversary, the development of the organisation over the last decade has directed the Charity into new territory within the care sector. In many ways, the Trust is now unrecognisable from the organisation that began this new millennium. However, the principles of charity and compassion established by our founder, Dame Monica Wills, continue to guide the Trust.

Supporting in excess of 1,000 older people with 1,200 staff across four retirement villages and community-based services, the Trust has extended its offering to support a wider range of needs than ever before. Coupled with the work of the Community Fund in giving gifts and grants to individuals and other organisations, it is evident that the work of the Trust is making a real difference in the lives of many people in Bristol and the surrounding area.

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

(C) The strategies we use to deliver our objectives

The objectives of St Monica Trust focus the work of the Charity on older people and adults with a physical disability or long-term illness. The **mission statement** of the Charity in relation to servicing the above-noted beneficiaries is the provision of **'Well-being through innovative care, accommodation and support'** - and the strategies we use to meet such objectives include:

- Providing **retirement housing/sheltered housing accommodation** all of which is disability-friendly and capable of supporting individuals in wheelchairs.
- **'Extra Care' Housing** in partnership with Bristol City Council and North Somerset Council. This concept is a fresh approach to the provision of accommodation and support for older people. Service users enjoy the comfort of living within their own home as an alternative to entry into a care home and are thus afforded greater choice and independence and the stimulation of a lively environment in which to live.
- **Care and Support** – many people prefer to 'stay put' as their care needs increase. A programme of Care and Support can be provided that enables individuals to maintain their independence within their own home. A 24-hour Care and Support service is available within the Trust's own retirement housing settings and a community-based scheme is operated by the Trust across many areas of Bristol (see overleaf).
- High quality **nursing and residential care** are key elements of the support provided by the Trust. In addition to long-term care, short-term places are available to give a carer a much-needed break, or for those recovering following an operation or period of hospitalisation, and as a 'safe haven' for those older people facing an emergency or breakdown in their normal care arrangements. Many elements of our short-term care are operated in partnership with the NHS and local authorities.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(C) The strategies we use to deliver our objectives (continued)

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

- **Care at Home** – 2015 was the third full year of operation of the Trust's new Homecare Service. The success of such a service rests on well-established fundamentals. Further, an ongoing commitment from government for community-based social care provision and the fragmentation of the market allied with the attraction of the Trust to local people, would appear to present many opportunities for this Charity in the homecare sector. There are however a number of key challenges facing the Trust during 2015/16, these include changes in health service commissioning behaviour in the light of continued government austerity measures, the increased competition within the sector to attract core populations of private funders and at a local level the difficulty in recruiting staff into community services.
- **The Community Fund** – the Trust recognises that older people or individuals with a long-term disability or illness frequently face financial hardship alongside the challenges their individual situation can bring. St Monica Trust offers help in two ways to individuals who live in and around the Bristol area: **Firstly**, we can make a real difference to people's daily lives by helping to pay for essential items such as wheelchairs, mobility aids or adaptations to an individual's home. **Secondly**, the Trust can make a monthly payment to an individual in the form of a short-term grant. The level of any grant, which is paid to offer support through a crisis, is paid at a level which will not affect benefits or tax credits.

The Community Fund also offers financial help to other organisations whose aims are to support a similar group of beneficiaries

- **'LinkAge'** – is the name of the Trust's imaginative project which operates in partnership with Bristol City Council, the Clinical Commissioning Group and other local charities for older people. The aim is to develop social activities, self-help groups and services to enable older people to maintain their quality of life and independence.

The Trust's LinkAge services are based in the Bedminster and Stockwood areas of South Bristol.

- **Recruitment and retention of staff**

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

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

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

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

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(C) The strategies we use to deliver our objectives (continued)

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

(D) Public benefit and maximising access to our services

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

Whilst all persons who receive support from the Community Fund are individuals who can be regarded as in financial need, people who access our other services emanate from a range of socio-economic backgrounds. The legal and regulatory framework in relation to payment by the state for care remains firmly rooted in a system of means testing. For example, any individuals who have money or assets in excess of £23,500 will find themselves responsible for meeting the cost of living in a care home. When approximately 75% of the population over 65 years own their own property, quite clearly the welfare state assumes financial responsibility for only a percentage of people who need care. Thus, along with other voluntary organisations, the Trust engages with people in need of a service, some of whom can afford the fee and others who are unable to meet such costs. The traditions and the philosophy of the Trust, and indeed the guidance of the Charities Act 2011, ensure that the Trust makes provision for individuals who are unable to pay the fees for relevant services and thus are able to benefit and not be excluded from the Trust's services.

The Trust's residential care services (care homes and retirement living) helped 1,505 individuals in 2015, of which 36%, or 536 people, were afforded financial support by the Trust. In addition, the Community Fund helped 448 individuals in financial need plus an estimated 607 people (52,469 individual sessions) through the activities of the LinkAge service. In 2015, therefore, a total of 1,591 people (57% of service users) were supported financially by the Trust (2014: 1,545 people were supported financially representing 57% of service users).

(E) The following objectives were established for 2015:

The year 2015 was the third year of a strategic plan. The strategic plan has enabled the trust to respond to an environment of economic austerity coupled with a growing population of older people with increasing complex needs. So the trust has committed to delivering against the objectives set in the third year of the strategic plan, under the following objectives:

- **Lifting the core** (Improving existing services)
- **Expanding our services**
- **Reaching new customers**

In fulfilment of the above, the following details a range of initiatives that were engaged with during 2015.

- **Completion of a programme of occupation for the new apartments on the Cote Lane site**

Sales of the new 24 apartments at Cote Lane, which started in 2014 were completed in 2015. From first reservation to sell out took 8 months and from first occupation in September 2014, one year later all apartments were occupied.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(E) The following objectives were established for 2015 (continued):

- **The partial roll out of electronic care planning project across the Trusts care homes and into its retirement community services.**

Following initial implementation of electronic care planning in Sherwood during late 2014, the system was implemented into all other general and dementia units for long stay residents during 2015. It has been an exercise that has seen significant development from the original package demonstrated to us by the supplying company, this development has been led from within the Trust and has enabled the Trust to develop highly individualised care plans for our residents. Further, having a centralised electronic system enables assurance regarding version control of assessment forms. For example, last year upon review of the CQC fundamental standards, the Trust was able to rapidly respond to changes by amending current nutrition forms to include management of obesity, and the risk of dehydration, as well as ensuring measures taken to maintain privacy and dignity of residents during key activities such as personal care and sleeping were detailed in the care plans. After the initial period of consolidation, work planned for the next year includes improving standardisation of processes for data entry, developing a streamlined process for use with our short stay residents, and a revised auditing process that can benefit from the rapid review of multiple resident documents that is now possible.

- **The exploration of potential capital and care service developments within key strategic geographical areas, through a combination of tendering and direct acquisitions.**

In July 2015 the St Monica Trust secured the former Cadbury's chocolate factory in Keynsham which will become its fifth retirement community.

Planning consent for the £60 million development was obtained from BANES council in June 2015.

Named *The Chocolate Quarter*, the Trust plans to convert the iconic red-brick buildings into a state-of-the art retirement community, featuring 136 assisted living apartments, a 93-bed care home offering a range of specialist care, and an employment space capable of supporting 1,000 jobs.

The retirement village will be the Trust's first non-gated community, with a range of communal facilities including a restaurant, café, bar, swimming pool, gym, art studios and hairdressers being able to be accessed by the people of Keynsham. The site will also house a GP practice and pharmacy and provide office accommodation. Overall, it is hoped that the retirement community, together with the employment space, will lead to the creation of 1,000 employment opportunities within the local community. The retirement village is due for completion in June 2017.

- **The production of a feasibility study and project plan for the roll out of an electronic rostering system through 2015 into Trusts care and facilities services.**

In 2016 we started our project to install a new staff rostering and time and attendance recording system, giving us much better control and flexibility over how we manage allocations of staff to shifts across the Trust. The systems we have selected are specifically tailored to our sector. Whilst this was an aspiration to be a 2015 project, we decided to prioritise the roll out of our Electronic Care Planning system during that year as this presented our residents with more direct benefits. There is a natural progression to follow Electronic Care Planning with Staff Rostering and completing the two projects in this order means a shallower learning curve for our staff and consequently reduced training costs and enhanced levels of user acceptance of the system. The benefits of having front line staff being quickly conversant with the new system not only benefits the services directly with improved staff planning, but also provides much better and expedited management information helping us look at our staffing more strategically.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(E) The following objectives were established for 2015 (continued):

- **The development of the St Monica Trust 5 year strategic plan.**

The St Monica Trust has consulted all major stakeholders in the development of its five year strategic plan, which was agreed by Council Trustees in November 2015.

What has remained constant throughout the Trust's growth and evolution has been its lasting commitment to making sure that our residents and customers have the best possible experience in all that we do. This is the foremost principle upon which we have created our plan for the next five years.

The plan recognises that the Trust needs to build on its relationships with residents, customers and their families so that we can work together to shape the future of our retirement villages and other services. This will guarantee that they continue to be attractive, inviting communities in which we will remain agile in responding to people's needs. The Trust recognises that it must build on its existing organisational culture so that we attract and retain the right people to deliver its services.

The strategy also focuses on the importance of ensuring that we are responsible with our financial resources and that we invest in our estates and infrastructure for the future security of the Trust, its residents, customers, staff and volunteers.

As an organisation which makes such a difference to the lives of older people and within our industry, we have a duty to continue to expand our knowledge and impact. This is why the organisation has committed to a programme of outreach within disadvantaged communities. It is also why we are committed to delivering greater investment in innovation, technology and research within the field of social housing and care of the older generations in the UK and internationally.

- **Positive work of the Community Fund and LinkAge Services**

The St Monica Trust Community Fund aims to ease the financial pressure and improve the daily lives of older people by helping purchase the essential items they need or supporting them through a crisis. In 2015, the fund operated in the following manner:

Requests received	917 gift and grant requests received
Gifts awarded	352 gifts awarded worth £146,765
Short-term grants	207 new short term grants awarded 80 people receiving a short term grant at the year end Value of short term grants: £104,358
Annuities	8 people receiving an annuity at the year end Value of annuities: £9,570
Organisations	23 organisations awarded grants worth £124,337 including the Residents Advice Service
People helped	At least 448 individuals were helped directly and many more were helped through the work of the organisations funded and by LinkAge
LinkAge	£97,207
Total giving	£482,237
Operating Costs	£70,321
TOTAL COMMUNITY FUND COST	£550,558

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(E) The following objectives were established for 2015 (continued):

In 2015, considerable advances were made to consolidate the governance of **LinkAge** in Bristol and to prepare for the expansion of LinkAge activity across the city. The St Monica Trust has been instrumental in achieving much of this progress which includes:

- The consolidation of the previous LinkAge Consortium with the LinkAge West of England Board, to establish a single governance body, known as LinkAge.
- Support to establish common policies and procedures.
- Becoming a member of the LinkAge West of England Charity Board.
- Joining the management committee of this Board.
- Leading role in producing brochure to attract new members.
- Secondment of SMT’s community development worker to the LinkAge Core Management Team.
- Funding LinkAge brochures.
- Assuming a leading role in the bid by Bristol City Council for lottery funding to expand LinkAge throughout the city.
- **The objectives and achievements of the Endowment Trustee were as follows:**

The objectives for the year:

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

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

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

- Income: To provide the Trust with £5.50 million net unrestricted income for 2015 and £5.67 million for 2016. Unrestricted income to increase by 3% per annum measured over three-year rolling periods.

ST MONICA TRUST

REPORT OF THE TRUSTEE (continued) For the year ended 31 December 2015

3. Objectives, Activities, Achievements and Performance (continued)

(E) The following objectives were established for 2015 (continued):

Achievements for the year have been as follows:

Summary. The market value of St Monica investments managed by the Endowment Trustee increased by 4% from £218 million at 31 December 2014 to £227 million at 31 December 2015 (see note 11).

Asset Allocation. The broad asset allocation at 31 December 2015 was:

Agricultural property – 58%
Commercial property – 4%
Financial investments – 36%
Other investments – 1%
Cash – 1%

The market value of the agricultural portfolio increased by 7.5% during the year against a flat performance from the financial portfolio demonstrating the benefit of the long established and successful policy of weighting the investments towards agricultural property.

During the year the Endowment Trustee acquired a site at Cowes, Isle of Wight for the portfolio. This investment will provide a secure, long term income stream at advantageous yield alongside some development opportunity.

Agricultural Property Investments:

Total return for the agricultural portfolio for the year was 11.8% (2014 4.4%) against the IPD Rural benchmark of 6.4% (2014 11.8%). For the five years to 31 December 2015 total return was 7.7% (2014 7.9%) against the IPD Rural benchmark of 12.2% (2014 10.3%).

The Endowment Trustee is in the process of bringing to fruition several major projects within the portfolio which are expected to add considerable value over the coming years.

Financial Investments:

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

Several changes to the portfolio took place in 2015 the most notable of which was the sale of £10.8m Veritas Global Equity Income Fund with the proceeds invested partly in JO Hambro Global Select Equity Fund (37%), partly an addition to the investment in Newton Global Higher Income Fund (15%) and the balance towards the investment in the site at Cowes, Isle of Wight (48%) noted above. For the 10 years to 31 December 2015 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 6.2% for the 10 years against the inflation + 3% benchmark of 5.4%, a very pleasing outcome.

For the 3 years to 31 December 2015 the portfolio returned 6.6% (2014 9.9%) against the benchmark of 7.4% (2014 9.7%).

Income: The Endowment Investments provided the Trust with £6.27m (2014 £5.58m) net unrestricted funds in 2015 against a target of £5.50m, an excess of £0.77m. For the three years to 31 December 2015 the Endowment Investments provided the Trust with £17.6m against the target of £16.0m, an excess of £1.6m. This contributed to the financial success of the Trust in 2015 as shown in the Statement of Financial Activities on page 17.

REPORT OF THE TRUSTEE (continued)
For the year ended 31 December 2015

4. Financial review

The Trust's financial position at the end of 2015 was strong, with unrestricted reserves of £18.0 million (2014: £16.7 million) and net assets of £246.2 million (2014: £236.3 million). The Trust is reliant on the unrestricted income from the Permanent Endowment, which in 2015 was £6.27 million compared with the target for the year of £5.50 million.

5. Plans for future periods

In 2016, the Trust begins the first year of its five year strategic plan. The strategic themes are:

Theme 1

Service - Customers

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

Theme 2

People - Colleagues and volunteers

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

Theme 3

Business and Resources

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

Theme 4

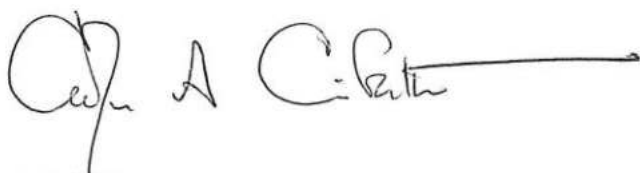
Growth and development

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

Such themes will include (inter-alia):

- Enhance our marketing strategy to identify and publicise the aspects of the Trust that make it unique amongst other providers.
- Create more flexible financial options for customers to access the services offered by the Trust.
- Establish accountability and responsibility of management at a local level.
- Continue the programme of IT infrastructure development and delivery improvements both in terms of the services and corporate requirements of the Trust.
- Review Head office accommodation and establish a viable plan to accommodate future requirements.
- Introduce and exceed the government living wage levels up to 2020.
- Invest in our staff to support individuals to become the leaders of the future.
- Explore the purchase of expansion space within each of our villages.
- Introduction of a new directorate of Transformation and Development within the Trust by January 2016.
- To develop an organisation wide programme of village improvements to ensure that our environments meet and exceed those of our competitors.

Signed for and on behalf of the Council



A Griffiths
President of the Council

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF ST MONICA TRUST

We have audited the financial statements of St Monica Trust for the year ended 31 December 2015 which comprise the Statement of financial activities, Note of historical cost surpluses, the Balance sheet, the Principal accounting policies, the Cash flow statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Trustee and auditor

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2015 and of its incoming resources and application of resources, 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 Charities Act 2011 and the trust deed.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP *5 July 2016*

Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as auditor of a registered charity.

ST MONICA TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2015

	Note	Unrestricted fund £'000	Designated fund £'000	Restricted funds		Total 2015 £'000	Total 2014 £'000
				Other restricted funds £'000	Permanent endowment funds £'000		
INCOMING RESOURCES							
Incoming resources from charitable activities:							
Residential care and support		21,716	-	-	-	21,716	20,099
Incoming resources from generated funds:							
Investment income	3	6,839	-	14	-	6,853	6,035
Total incoming resources		28,555	-	14	-	28,569	26,134
RESOURCES EXPENDED							
Costs of generating funds:							
Investment management charges	5(a)	-	-	-	(664)	(664)	(590)
Property operational costs	5(b)	(488)	-	-	-	(488)	(342)
Major repairs & other costs	5(c)	-	-	-	(121)	(121)	(199)
Total costs of generating funds	5	(488)	-	-	(785)	(1,273)	(1,131)
CHARITABLE EXPENDITURE							
Costs in furtherance of the Trust's objects:							
Residential care and support	6	(26,169)	-	(14)	(488)	(26,671)	(25,009)
Community support		(551)	-	-	-	(551)	(507)
Governance	7	(48)	-	-	-	(48)	(47)
Total charitable expenditure		(26,768)	-	(14)	(488)	(27,270)	(25,563)
Total resources expended	4	(27,256)	-	(14)	(1,273)	(28,543)	(26,692)
Net incoming resources for the year before investment gains		1,299	-	-	(1,273)	26	(560)
Realised and unrealised gains on investments	11	-	-	-	9,671	9,671	3,922
Net incoming resources for the year		1,299	-	-	8,398	9,697	3,362
Transfer between funds	8	(344)	290	-	54	-	-
Actuarial gain on defined benefit pension	24	-	-	-	221	221	88
Net movement in funds		955	290	-	8,673	9,918	3,450
Total funds brought forward		14,411	2,324	274	219,248	236,257	232,807
Total funds carried forward	18	15,366	2,614	274	227,921	246,175	236,257

All results relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities. There is no difference between the net incoming resources for the year before transfers and investment movements and their historical cost equivalent.

See note 26 for comparative Consolidated Statement of Financial Activities.

ST MONICA TRUST

BALANCE SHEET
At 31 December 2015

	Note	2015		2014	
		£'000	£'000	£000	£'000
FIXED ASSETS					
Tangible fixed assets	10		109,821		98,038
Investments	11		226,811		218,174
			<u>336,632</u>		<u>316,212</u>
CURRENT ASSETS					
Stocks	12	35		32	
Debtors	13	4,455		3,761	
Cash at bank and in hand		8,723		11,088	
		<u>13,213</u>		<u>14,881</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(20,485)</u>		<u>(13,931)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(7,272)</u>		<u>950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			329,360		317,162
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		<u>(75,532)</u>		<u>(72,990)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			253,828		244,172
Pension liability	24		<u>(7,653)</u>		<u>(7,915)</u>
NET ASSETS			<u>246,175</u>		<u>236,257</u>
FUNDS					
Permanent endowment fund net of pension liability			227,921		219,248
Other restricted funds	16		274		274
Total restricted funds			<u>228,195</u>		<u>219,522</u>
Designated fund	17		2,614		2,324
Unrestricted fund			15,366		14,411
Total unrestricted funds			<u>17,980</u>		<u>16,735</u>
	18		<u>246,175</u>		<u>236,257</u>

The financial statements on pages 17 to 35 were approved by the Council on signed on its behalf by:

29 June 2016

and were



C A Griffiths
President of the Council

ST MONICA TRUST

CASH FLOW STATEMENT

For the year ended 31 December 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
Net cash flows from operating activities	21		226		1,272
Cash flows from investing activities					
Interest received		7		8	
Dividend income received		2,788		2,526	
Purchase of tangible fixed assets		(12,931)		(4,785)	
Purchase of investments		(17,448)		(11,933)	
Proceeds from sale of investments		18,592		13,587	
Net cash flows from investing activities			(8,992)		(597)
Cash flows from financing activities					
(Increase) in fixed asset investment cash deposits		(110)		(645)	
Increase/(Decrease) in bank loans		6,511		(89)	
Net increase/(decrease) in cash and cash equivalents	22		6,401		(734)
Cash and cash equivalents in the reporting year			(2,365)		(59)
Cash and cash equivalents at the beginning of the reporting year			11,088		11,147
Cash and cash equivalents and the end Of the reporting year	22		<u>8,723</u>		<u>11,088</u>
Reconciliation to net cash					
Net funds at 1 January			10,143		9,468
(Decrease) in cash			(2,365)		(59)
Increase in investments			110		645
(Increase)/Decrease in bank loans			(6,511)		89
Net funds at 31 December	22		<u>1,377</u>		<u>10,143</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102). The changes that apply for periods commencing on or after 1 January 2016 have been adopted early by the Trustee.

On adoption of FRS102 in the current year no restatements have been noted therefore there is no prior year restatement included within these financial statements.

The accounting policies that the Trust has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure are shown below and have been applied consistently throughout the current and prior year.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of fixed asset investments. There is no difference between the net incoming/(outgoing) resources for the year shown in the statement of financial activities, and its historical equivalent.

The financial statements have been prepared on a going concern basis. The uncertainties arising from current economic conditions are considered on page 6. The Report of the Council also explains why the Trustees consider that the going concern basis is appropriate.

Critical accounting judgements and key sources of estimation uncertainty

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

Investment income

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

Voluntary income

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

Government grants

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

Residential care and support

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

ST MONICA TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

Expenditure

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

- (a) Costs of generating funds relate to those costs incurred in the management of the fixed asset investments.
- (b) Costs in furtherance of the Trust's objects relate to those costs incurred in running and supporting the objects of the Trust.
- (c) support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the Trusts activities. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include the statutory audit and any relevant legal fees.

Grants payable

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

Irrecoverable VAT

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

Recognition of liabilities

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

Tangible fixed assets

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

Capitalisation of finance costs

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

Depreciation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

2. ACCOUNTING POLICIES (continued)

Impairment reviews

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

Lifetime leases

The Trust provides a lifetime leasehold purchase scheme for up to 351 properties across its four sites in which the lease operates for the duration of the purchaser's occupation of the property and then reverts to the Trust on their departure. The cash received under this scheme is returned to the lease holder or their estate when the lease is determined. The Trust, therefore, always has a liability to repay the full value of the lease proceeds, which is reflected in the balance sheet as amounts due to lifetime leasehold tenants. When a lease is determined, the Trust will sell the lease on to another purchaser under the same lifetime lease arrangement, thus restoring the funding and the liability to repay the value of the lease when, in turn, it is determined.

Investments

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

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

Investment properties

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

Stocks

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

Leased assets

Rentals in respect of operating leases are charged directly to the statement of financial activities in the period in which they fall due.

Pension costs

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

The Trust pays certain discretionary pensions, which are not funded under a closed defined benefit scheme. The pension liability in respect of this obligation is recognised in the balance sheet based on annual actuarial valuations. Actuarial gains or losses are included in the statement of financial activities. Further details in respect of unfunded pension liabilities are contained in note 24. The Trustees have confirmed with the Charity Commission that the pension liability may be treated as a deduction from the Permanent Endowment Fund, and, as a result, the Permanent Endowment Fund in the "Funds" section of the balance sheet is shown net of the estimated pension liability.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

2. ACCOUNTING POLICIES (continued)

Permanent endowment fund

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

Restricted funds

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

(a) Residents' legacy fund

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

(b) Community support fund

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

Unrestricted fund

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

Designated fund

A designated fund exists to hold a proportion of the community fee, which is being set aside for future maintenance costs.

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

3.	INVESTMENT INCOME		2015		2014
			£'000		£'000
	(a) Unrestricted fund				
	Commercial investment properties		458		201
	Agricultural investment properties		4,058		3,292
	Listed and other investments		2,227		2,425
	Interest on cash deposits		7		8
	Other investments		89		92
			<hr/>		<hr/>
			6,839		6,018
			<hr/>		<hr/>
	(b) Restricted funds				
	Distributions from CCLA Investment Management Limited		14		9
			<hr/>		<hr/>
	(c) Permanent endowment fund				
	Endowment income		-		8
			<hr/>		<hr/>
			6,853		6,035
			<hr/>		<hr/>
4.	ANALYSIS OF TOTAL RESOURCES EXPENDED				
		Staff			
		costs	Depreciation		
		£'000	£'000	2015	2014
				£'000	£'000
	Costs of generating funds				
	(note 5)	-	-	1,279	1,129
		<hr/>	<hr/>	<hr/>	<hr/>
	Charitable expenditure				
	Residential care and support				
	(note 6)	18,784	1,148	6,732	26,664
	Community support	153	-	398	551
	Governance costs (note 7)	-	-	48	47
		<hr/>	<hr/>	<hr/>	<hr/>
		18,937	1,148	7,178	27,263
		<hr/>	<hr/>	<hr/>	<hr/>
		18,937	1,148	8,457	28,542
		<hr/>	<hr/>	<hr/>	<hr/>
		18,937	1,148	8,457	26,692
		<hr/>	<hr/>	<hr/>	<hr/>

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

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

5.	COST OF GENERATING FUNDS	2015	2014
		£'000	£'000
	(a) Investment management charges		
	Society of Merchant Venturers of Bristol – reallocation of salaries, overheads and general advisory	227	222
	Investment manager fees	85	53
	Agricultural estate management	345	303
	Commercial properties management	7	12
		<u>664</u>	<u>590</u>
	(b) Property operational costs		
	Agricultural estates	468	339
	Commercial properties	20	3
		<u>488</u>	<u>342</u>
	(c) Major repairs & other costs		
	Agricultural estates	121	199
	Total costs of generating funds	<u>1,273</u>	<u>1,131</u>
6.	RESIDENTIAL CARE AND SUPPORT	2015	2014
		£'000	£'000
	Staff costs	18,784	17,762
	Residential services	524	489
	Site services	1,142	1,094
	Provisions and catering	977	901
	Insurance	270	247
	Property and equipment (including depreciation)	3,222	2,744
	Miscellaneous	378	326
	Management and administration	1,367	1,446
		<u>26,664</u>	<u>25,009</u>

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7. GOVERNANCE COSTS	2015	2014
	£'000	£'000
Auditor's remuneration (including irrecoverable VAT)		
- for audit	27	27
- for tax related services	8	7
Other professional services	13	13
	<u>48</u>	<u>47</u>

Neither the Council, nor persons connected with them, received any remuneration or other benefits from the Trust during the year. Reimbursement of expenses amounted to £616 during the year (2014: £nil).

8. TRANSFERS				
	Unrestricted	Designated	Restricted	Permanent
	fund	fund	fund	endowment
	£'000	£'000	£'000	fund
				£'000
Service Charge Transfer (A)	<u>(344)</u>	<u>290</u>	<u>-</u>	<u>(54)</u>

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

9. STAFF COSTS	2015	2014
	£'000	£'000
Wages and salaries	16,149	15,082
Social security costs	1,058	1,017
Pensions costs	819	1,081
Agency staff costs	911	715
	<u>18,937</u>	<u>17,895</u>

The average number of full-time equivalent persons employed permanently by the Trust during the year was:

	Number	Number
Residential care and support	666	595
Community support	2	2
Management of the Trust	20	18
	<u>688</u>	<u>615</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

9. STAFF COSTS (continued)

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

	2015 Number	2014 Number
£60,001 to £70,000	3	2
£70,001 to £80,000	-	-
£80,001 to £90,000	2	1
£90,001 to £100,000	1	2
£100,001 to £110,000	1	-
£110,001 to £120,000	1	-
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	1

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

10. TANGIBLE FIXED ASSETS

	Assets in the course of construction £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2015	85	105,734	10,654	310	116,783
Transfers	(85)	85	-	-	-
Additions	12,136	442	266	86	12,931
Disposals	-	-	-	(37)	(37)
At 31 December 2015	<u>12,136</u>	<u>106,261</u>	<u>10,920</u>	<u>359</u>	<u>129,677</u>
Accumulated depreciation					
At 1 January 2015	-	10,655	7,881	209	18,745
Charge for year	-	376	726	46	1,148
Disposals	-	-	-	(37)	(37)
At 31 December 2015	<u>-</u>	<u>11,031</u>	<u>8,607</u>	<u>218</u>	<u>19,856</u>
Net book value					
At 31 December 2015	<u>12,136</u>	<u>95,231</u>	<u>2,313</u>	<u>141</u>	<u>109,821</u>
At 31 December 2014	<u>85</u>	<u>95,079</u>	<u>2,773</u>	<u>101</u>	<u>98,038</u>

The above schedule includes finance costs of £2,414,275 (2014: £2,351,546) relating to loan interest and charges incurred for financing the new Keynsham, Monica Wills House, the sheltered flats and the Garden House Annexe at Cote Lane, and the Sandford developments.

Land costing £21,734,000 (2014: £11,734,000) is not depreciated.

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

11. FIXED ASSET INVESTMENT

	Investment Properties* £'000	Financial securities £'000	Cash on deposit £'000	Other investments** £'000	Total £'000
Cost					
At 1 January 2015	33,794	75,981	3,640	2,914	116,329
Additions	7,103	10,345	1,540	-	18,988
Disposals	(1,714)	(15,393)	(1,430)	-	(18,537)
At 31 December 2015	<u>39,183</u>	<u>70,933</u>	<u>3,750</u>	<u>2,914</u>	<u>116,780</u>
Revaluation – unrealised gains					
At 1 January 2015	91,091	11,628	-	(874)	101,845
Deduct in respect of disposals	(638)	(917)	-	-	(1,555)
Add net gains arising on revaluation	10,141	(422)	-	22	9,741
At 31 December 2015	<u>100,594</u>	<u>10,289</u>	<u>-</u>	<u>(852)</u>	<u>110,031</u>
Net book value					
At 31 December 2015	<u>139,777</u>	<u>81,222</u>	<u>3,750</u>	<u>2,062</u>	<u>226,811</u>
At 31 December 2014	<u>124,885</u>	<u>87,609</u>	<u>3,640</u>	<u>2,040</u>	<u>218,174</u>

There were total unrealised gains during the year of £9,671,000.

Investments at market value comprised:

	£'000	£'000	£'000	£'000	£'000
Investment assets in the UK	139,777	19,885	3,750	2,062	165,474
Investments assets outside the UK	-	61,337	-	-	61,337
	<u>139,777</u>	<u>81,222</u>	<u>3,750</u>	<u>2,062</u>	<u>226,811</u>

* All investment properties are freehold except for The Horsefair which is part of the Commercial Property portfolio.

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

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

11. FIXED ASSET INVESTMENT (continued)

Investments with a market value of greater than 5% total quoted securities at 31 December 2015 and 2014:

Investment	Portfolio 2015	Portfolio 2014
Artemis Equity Income Fund	5.8%	5.3%
Investec UK Special Situations Fund	6.5%	6.2%
Newton Global Higher Income Fund	9.7%	6.7%
Veritas Global Equity Income Fund	-	12.7%
Trojan Income Fund	7.1%	6.2%
Kiltearn Global Equity Fund	8.2%	8.0%
Franklin Templeton Global Bond Fund	-	3.4%
First State Emerging Markets Fund	5.6%	5.5%
Threadneedle Global Equity Fund	10.3%	9.3%

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

	2015 £'000	2014 £'000
Commercial property (note (a))	(646)	(1,041)
Agricultural property (note (b))	101,240	92,132
	<u>100,594</u>	<u>91,091</u>

(a) The commercial property has been valued at 31 December 2015 by Alder King Property Consultants in accordance with the RICS Appraisal and Valuation Standards (5th) Edition definition of Market Value.

(b) The agricultural property has been valued at 31 December 2015 by the Land Steward in accordance with the RICS Appraisal and Valuation Standards (5th) Edition definition of Market Value.

12. STOCKS	2015 £'000	2014 £'000
Sundry stocks	<u>35</u>	<u>32</u>

13. DEBTORS	2015 £'000	2014 £'000
Trade debtors	893	703
Other debtors	739	537
Prepayments and accrued income	2,823	2,521
	<u>4,455</u>	<u>3,761</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2015 £'000	2014 £'000
Trade creditors	937	1,057
Bank loan	7,500	900
Amounts due to lifetime leasehold tenants	7,993	7,701
Other creditors	1,455	1,398
Tax and Social Security	340	335
Accruals and deferred income	2,260	2,540
	<u>20,485</u>	<u>13,931</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2015 £'000	2014 £'000
Bank loan	3,596	3,685
Amounts due to lifetime leasehold tenants	71,936	69,305
	<u>75,532</u>	<u>72,990</u>
Age analysis of bank loan	£'000	£'000
Due within one year	7,500	900
After five years	3,596	3,685
	<u>11,096</u>	<u>4,585</u>

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

The bank loan due for repayment after five years is repayable by 2025. Interest is paid at a rate of 0.5% over base rate and 1.5% over LIBOR.

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

16. OTHER RESTRICTED FUNDS	At 1 January 2015 £'000	Incoming resources £'000	Outgoing resources £'000	Gains on investments £'000	At 31 December 2015 £'000
Residents' legacy fund	118	10	(11)	(6)	111
Community support fund	156	4	(3)	6	163
	<u>274</u>	<u>14</u>	<u>(14)</u>	<u>-</u>	<u>274</u>

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

17. DESIGNATED FUND

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

	Total £'000
At 1 January 2015	2,324
Transfer from the unrestricted fund	290
Expenditure	-
	<hr/>
At 31 December 2015	2,614
	<hr/> <hr/>

18. ANALYSIS OF FUNDS

	Unrestricted fund £'000	Designated fund £'000	Restricted funds £'000	Permanent endowment fund £'000	Total £'000
Movement in funds					
At 1 January 2015	14,411	2,324	274	219,248	236,257
Net incoming/(outgoing) resources	1,299	-	-	(1,273)	26
Transfers between funds	(344)	290	-	54	-
Gains on investment assets	-	-	-	9,671	9,671
Actuarial gain on pension liability	-	-	-	221	221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	15,366	2,614	274	227,921	246,175
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Representation of fund balances	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	2,454	-	-	107,367	109,821
Investments	-	-	243	226,568	226,811
Cash and bank balances	8,718	-	-	5	8,723
Other current assets and liabilities	4,194	2,614	31	(22,834)	(15,995)
Long-term creditors	-	-	-	(75,532)	(75,532)
Pension liability	-	-	-	(7,653)	(7,653)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,366	2,614	274	227,921	246,175
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Unrealised investment asset gains included above	-	-	-	110,009	110,009
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

19. CAPITAL COMMITMENTS	2015	2014
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	8,436	-

20. FINANCIAL COMMITMENTS

At 31 December 2015 the Trust had annual commitments under non-cancellable operating leases for plant and machinery expiring in one year of £2,972 (2014: £nil) and in two to five years of £10,520 (2014: £12,500). The total charge to the statement of financial activities in the year in respect of operating lease rentals for the hire of plant and machinery was £10,520 (2014: £12,500).

21. CASHFLOW STATEMENT

Reconciliation of net income/(expenditure) to cash generated by operations:

	2016	2015
	£'000	£'000
Net income for the year	9,918	3,450
Adjustments for:		
Interest receivable	(2,795)	(2,534)
Depreciation charges	1,148	966
Gains/losses on investment assets	(9,671)	(3,922)
Gains/Losses on pension scheme	(221)	(88)
Operating cash flow before movement in working capital	(1,621)	(2,128)
(Increase) in stock	(3)	(2)
(Increase) in debtors	(694)	(1,103)
Increase in creditors	2,585	4,257
Adjustment for pension funding	(41)	248
Cash generated by operating activities	226	1,272

22. RECONCILIATION OF MOVEMENT IN NET CASH

	At		At
	1 January		31 December
	2015	Cash flow	2015
	£'000	£'000	£'000
Investments	3,640	110	3,750
Cash at bank and in hand	11,088	(2,365)	8,723
Bank loan	(4,585)	(6,511)	(11,096)
	<u>10,143</u>	<u>(8,766)</u>	<u>1,377</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

23. TRANSACTIONS WITH CONNECTED PERSONS

The Trust paid a fee including reallocation of salaries and overhead costs totalling £226,974 (2014: £222,351) to the Society of Merchant Venturers of Bristol to cover the services it provides in its role as Endowment Trustee (note 5(a)).

A professional indemnity insurance premium of £2,831 (2014: £2,831) was paid by the Trust on the behalf of the Trustees.

24. PENSION SCHEMES

Unfunded pension liability

The Trust has granted unfunded defined benefit pensions to some current and former employees of the Trust. The valuation of the pensions was carried out as at 31 December 2015 by PriceWaterhouseCoopers, a qualified independent actuary who are a fellow of the institute of actuaries. Pension payments made for the year ended 31 December 2015 in respect of the defined benefit pensions were £321,569 (2014: £301,000).

The principal assumptions made by the Trust were:	2015 %	2014 %	2013 %	2012 %
Rate of increase in pensionable salaries	2.9	2.9	3.5	2.8
Rate of increase in pensions in payment	2.8	2.8	3.3	2.8
Inflation rate	2.9	2.9	3.5	2.8
Discount rate	3.8	3.6	4.4	4.1
Pensioner and non-pensioner mortality	SAPS all MC 1% pa	SAPS all MC 1% pa	SAPS all MC 1% pa	SAPS all MC 1% pa
The amounts recognised in the balance sheet are as follows:	£'000	£'000	£'000	£'000
Present value of scheme liabilities	7,653	7,915	7,755	7,435
Deficit in the scheme	7,653	7,915	7,755	7,435
Analysis of amount charged to net outgoing resources in respect of defined benefit pensions			2015 £'000	2014 £'000
Current service			-	-
Past service			-	(214)
Interest on pension liability			(279)	(335)
Total operating charge			(279)	(549)

ST MONICA TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

24. PENSION SCHEMES (continued)

	2015 £'000	2014 £'000
Movement in liability during the year		
Liability at the start of the year	(7,915)	(7,755)
Movement:		
Current service cost	-	-
Past service cost	-	(214)
Employer contributions (including pension payments)	320	301
Interest cost	(279)	(335)
Actuarial gain	221	88
	<u>(7,653)</u>	<u>(7,915)</u>
Liability at the end of the year covered by a specific provision in the financial statements	<u>(7,653)</u>	<u>(7,915)</u>
Analysis of amount recognised in the statement of financial activities:	£'000	£'000
Actuarial gain recognised in the statement of financial activities	<u>221</u>	<u>88</u>

Amounts for the current and previous four periods are as follows

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Scheme assets	-	-	-	-	-
Scheme liabilities	7,653	7,915	7,755	7,435	6,862
Deficit in plan	(7,653)	(7,915)	(7,755)	(7,435)	(6,862)
Actuarial gains/(losses) on liabilities	(221)	88	(258)	(571)	173
Statement of total recognised gains and losses for the period ending 31 December	(221)	88	(258)	(571)	173

Other pension scheme

The Trust also contributes to a group personal pension plan. The contributions made by the Trust to this pension scheme are charged to the statement of financial activities when they fall due and were £597,742 (2014: £521,818).

25. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 was therefore 1 April 2015. On adoption of FRS 102 in the current year no restatements have been noted therefore there is no prior year restatement included within these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted fund £'000	Designated fund £'000	Other restricted funds £'000	Permanent endowment funds £'000	Total 2014 £'000
INCOMING RESOURCES						
Incoming resources from charitable activities:						
Residential care and support		20,099	-	-	-	20,099
Incoming resources from generated funds:						
Investment income	3	6,018	-	9	8	6,035
Total incoming resources		26,117	-	9	8	26,134
RESOURCES EXPENDED						
Costs of generating funds:						
Investment management charges	5 (a)	-	-	-	(590)	(590)
Property operational costs	5 (b)	(342)	-	-	-	(342)
Major reports	5 (c)	-	-	-	(199)	(199)
Total costs of generating funds	5	(342)	-	-	(789)	(1,131)
CHARITABLE EXPENDITURE						
Costs in furtherance of the Trust's objects:						
Residential care and support	6	(24,750)	-	(9)	(250)	(25,009)
Community support		(507)	-	-	-	(507)
Governance	7	(47)	-	-	-	(47)
Total charitable expenditure		(25,304)	-	(9)	(250)	(25,563)
Total resources expended	4	(25,646)	-	(9)	(1,037)	(26,692)
Net incoming/(outgoing) resources for the year before transfers						
		471	-	-	(1,031)	(560)
Transfers between funds	8	(344)	290	-	54	-
Net incoming/(outgoing) resources for the year after transfers		127	290	-	(977)	(560)
Realised and unrealised gains on investments	11	-	-	13	3,909	3,922
Actuarial gain/(loss) on defined benefit pension	24	-	-	-	88	88
Net movement in funds		127	290	13	3,020	3,450
Total funds brought forward		14,284	2,034	261	216,228	232,807
Total funds carried forward		14,411	2,324	274	219,248	236,257

