

St Monica Trust

Report of the Trustee and consolidated financial statements

Registered charity number 202151

Year ended 31 December 2018

Report of the Trustee and consolidated financial statements
Year ended 31 December 2018

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Report of the Trustee for the year ended 31 December 2018 (continued)

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

Chief Executive

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

Management of the Permanent Endowment

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

The Society of Merchant Venturers, as Endowment Trustee of St Monica Trust, base the investment strategy and asset allocation on the financial requirement of the Trust as recommended by 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	KPMG LLP 66 Queen Square Bristol BS1 4BE	
Bankers	NatWest Bank plc 32 Corn Street Bristol BS99 7UG	Lloyds Bank Canon's House, Canon's Way Bristol BS99 7LB
Solicitors	Womble Bond Dickinson (UK) LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ	

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Investment Adviser	Cambridge Associates 80 Victoria Street Cardinal Place London SW1E 5JL
Commercial Property Managing Agent	Alder King LLP Pembroke House 15 Pembroke Road Bristol BS8 3BA
Agricultural Estates and Land Steward	Savills 14 Cirencester Office Park Tetbury Road Cirencester GL7 6JJ

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2 Structure, Governance and Management of the Group

History

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

The group is structured as two entities – the parent charity St Monica Trust and its wholly owned subsidiary St Monica Trading Limited which was incorporated on 17 November 2017. The parent conducts the charitable operations and the subsidiary was established to conduct the commercial operations undertaken at St Monica Trust's retirement village at Keynsham. The current activities being undertaken by the company include the sale of food in the B Block Café and Somer Dining Restaurant. Secondly, the provision of leisure services as managed by our agent Aquaterra. These services are available to residents and members of the general public.

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 Operations Committee, the Development and Construction Committee, the Community Fund Committee, the Audit Committee and the Trustee Nominations Committee. Membership of these committees at the year-end was as follows:

The Finance 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 A T Yates – Chair
Mr J H Kane
Mr R T Wynn-Jones
Mr T S Ross
Dr A D Garrad CBE

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The Care Committee

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

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

Operations Committee

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

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

The 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 Kane
Mr A T Yates – Chair	Dr A D Garrad CBE
Mr R Wynn-Jones	Professor J McGeehan CBE
Mr T S Ross	

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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 – retired June 2018
Mrs S Darwall Smith – Chair
Lady Wills
Dr R P H Wilde
Mrs S P Cooper
Mr M Bothamley
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 A T Yates

The Trustee Nominations Committee

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

Mr C A Griffiths – President, Ex Officio
Ms H E Moss OBE – retired June 2018
Dr R P H Wilde

Trustee induction and training

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

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Senior Staff Pay policy

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

The Trustee considers the Council and sub-committees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 25 to the accounts.

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

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

Risk assessment

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

Financial risk management

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

- Price risk – The Trust negotiates contracts and fee rates to finance aspects of the Trust's activities and incorporates this information into its business plan. Salary costs are communicated to staff during the formal annual review of salaries. Prices of services and materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – credit risk on accounts owed to the Trust by its customers is low, as the majority of debtors are Local Authorities
- Liquidity risk – the Trust has borrowing facilities of £39.3 million, £32.3m was drawn down as at 31 December 2018 (2017: £39.3m), of which £3.2m is long-term (2017: £39.2m).
- Interest rate cash flow risk – the Trust is able to place surplus funds in a short-term deposit account with its bankers.
- Investment market risk – the Trust invests in a diversified portfolio of investments and properties in order to spread the risk.

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Going concern

The Trust's activities, together with the factors likely to affect its future development, performance and position are set out in this Report of the Trustee. The balance sheet on page 28 sets out the financial position of the Trust and its cash flows can be seen in the cash flow statement on page 27.

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

There are no material uncertainties about St Monica Trust and its subsidiary's ability to continue as a going concern. Notwithstanding the Trust's £24.1m net current liabilities at the end of 2018, the Trustees consider that this does not represent a concern, given the overall level of the Trust's investments, the refinancing of the substantial part of the bank loan with Lloyds Bank, or the part repayment from the sale of leasehold properties at Keynsham.

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 25 to the financial statements.

Reserves

The accounting policies on pages 29 to 35 describe the various funds of the Trust. Note 20 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 Trustee policy is to build up unrestricted reserves to £28 million, as this figure is equivalent to approximately 12 months' projected operating costs of the Residential Care and Support and the Grants and Gifts objects. This will be achieved through retained surpluses on the Unrestricted Fund and will incorporate the value of the Designated Fund. At 31 December 2018 the value of unrestricted reserves was £20.79 million (2017: £21.47 million).

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

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

3. Objectives, Activities, Achievements and Performance

(A) Overview

St Monica Trust reviews its aims, objectives, activities and performance on a regular basis. 2018 was the third year of a 5 year strategic plan for the period 2016 - 2020. The primary goals of the strategic plan are:

Report of the Trustee for the year ended 31 December 2018 (continued)

Service

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

People

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

Business and Resources

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

Growth

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

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

The Trust opened its fifth retirement village The Chocolate Quarter on the former Cadbury Chocolate factory site in Keynsham, November 2017 and Charterhouse a 93 bedded Care home in January of 2018. The site was acquired in 2016.

(B) The focus of our work

2018 saw St Monica Trust building on the foundations of its five year strategic plan, which aims to ensure that the Trust maintains its position as a leading provider of innovative services for older people across its area of operation. The development of the organisation over the last decade has directed the Charity into new territory within the care sector. In many ways, the Trust is now unrecognisable from the organisation that began this new millennium. However, the principles of charity and compassion established by our founder, Dame Monica Wills, continue to guide the Trust.

Supporting in excess of 7,000 older people with 1,700 staff across five retirement villages and community-based services, the Trust has extended its offering to support a wider range of needs than ever before. Coupled with the work of 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 and has maintained a clear position as a pioneer within the industry which has been recognised through awards and other accolades. The financial strength of the Trust has facilitated this radical thinking and allowed the Charity to act upon its ideas and concepts.

Report of the Trustee for the year ended 31 December 2018 (continued)

(C) The strategies we use to deliver our objectives

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

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

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

- **Care at Home** – 2018 was the sixth full year of operation of the Trust's new Homecare Service. During this year and with the decrease in European workers coming to the UK following Brexit, the Trust has continuously struggled to recruit the necessary skilled staff to enable it to deliver the amount of care hours required to breakeven, the service has continued to be reliant on the receipt of subsidy from the endowment fund in order to fully cover its costs. The Trust views this service as vital in allowing older people the choice to remain in their own homes and as an introductory service to the Trusts many other services. There are however a number of key challenges facing the Trust during 2018/19, these include changes in health service and local authority commissioning behaviour in the light of continued government austerity measures, the increased competition within the sector to attract core populations of private funders and what it perceives to be a worsening position in terms of recruiting at a local level.

Report of the Trustee for the year ended 31 December 2018 (continued)

- **The Community Impact 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 Impact Fund also offers financial help to other organisations whose aims are to support a similar group of beneficiaries. In 2018 the Trust affirmed through the five year strategy, its commitment to increase the total amount provided through the community fund to over £1 million over the five year period. It has also established links with other grant giving organisations across Bristol to develop a more strategic approach to grant giving for older people and to use our resources more effectively in leveraging new charitable money into the city.

- **The Community Impact Team**, formerly part of the LinkAge partnership, work to empower older people in their local communities around our existing village sites, to reduce isolation and loneliness. The aim is to facilitate sustainable activities, self-help groups and services to enable older people to maintain their quality of life and independence.

The majority of the Community Development Team’s work is based in South Bristol, however a recent development has been to expand this work to communities surrounding the Trust’s other village sites.

- **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 for the year ended 31 December 2018 (continued)

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

(D) Public benefit and maximising access to our services

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

Whilst all persons who receive support from the Community Fund are individuals who can be regarded as in financial need, people who access our other services emanate from a range of socio-economic backgrounds. The legal and regulatory framework in relation to payment by the state for care remains firmly rooted in a system of means testing. For example, any individuals who have money or assets in excess of £23,250 will find themselves responsible for meeting the cost of living in a care home. When approximately 75% of the population over 65 years own their own property, quite clearly the welfare state assumes financial responsibility for only a percentage of people who need care. Thus, along with other voluntary organisations, the Trust engages with people in need of a service, some of whom can afford the fee and others who are unable to meet such costs. The traditions and the philosophy of the Trust, and indeed the guidance of the Charities Act 2011, ensure that the Trust makes provision for individuals who are unable to pay the fees for relevant services and thus are able to benefit and not be excluded from the Trust's services.

In 2018, the Trust helped 6,994 (2017: 5,648) people, of which 5,449 or 78% (2017: 4,340 or 77%) were afforded financial support by the Trust.

Of the total above, the Trust helped 1,825 individuals in 2018 (2017: 1,507) in its residential care services (care homes and retirement villages), of which 33%, or 604 people (2017: 34%, 514 people), were afforded financial support by the Trust. The Trust's Care at Home service also assisted 324 individuals in their own home (2017: 310).

The Trust also helped 433 individuals (2017: 445) in financial need through its Grants & Gifts scheme plus a further 809 people (2017: 778) directly through the activities of its Community Development Team (706 individuals attending 31 regular activities and 15 one off events, with 9,383 attendances; plus 103 older people receiving a befriending service). In addition, a further 3,603 (2017: 2,608) people benefitted indirectly from the Trust's financial support for local, community-based organisations.

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(E) The following objectives were established in 2018:

The year 2018 was the third year of a five year strategic plan. The strategic plan will enable the Trust to respond to an increasingly competitive market environment, continued economic austerity coupled with a growing population of older people with increasing complex needs. So the Trust has committed to delivering against the objectives set in year 1 of the strategic plan, under the following objectives:

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

THEME 1: Customers

- Agreed with residents the format and makeup of the village councils.
The above was agreed with residents through the resident explore programme and will be rolled out across all sites in 2019.
- We will have achieved CQC Good rating in all newly inspected Care services.
The Trust achieved a CQC good rating in all but one service in inspected in 2018. Whilst not achieving this objective it still retains a good rating in 91% of the CQC key lines of enquiry placing the Trust in the top quartile of Care organisations when benchmarked on quality.
- We will have appointed a resident's community navigator to support residents volunteering opportunities in the wider community and enhance wellbeing.
The trust appointed a community navigator for resident volunteering, the position is currently working from its Keynsham development and has successfully placed 12 residents into volunteering opportunities within local schools.
- We will have worked to become compliant with GDPR.
The Trust has appointed a data protection officer and conducted trust wide training on data security as well as establishing clear data protection protocols.
- We will have completed the first round of funding through the Bristol Older Peoples grant funders Alliance.
The Trust completed this in 2018, receiving 27 applications of which 7 were funded. For the first time in 400 years Anchor, Grateful and Dolphin agreed to partner fund a project.

THEME 2: People – Colleagues and volunteers

- We will develop a continuous improvement approach through training managers in techniques and review issues such as a welcome pack and maintenance processes.
A continuous improvement and leadership development programme was launched in 2018, this process has led to a number of service improvements, including the development of a residents welcome information pack.
- We will revise Supervision and Appraisal processes.
These processes have been revised with an increased focus on two way communication between supervisor and supervisee, concentrating on strength identification and development.

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- We will have purchased and commenced the operation of the Health and Social Care Academy.
This objective has been delayed due to issues with the property purchase and is due to be completed in 2019.
- We will develop a comprehensive 5-year people strategy.
The strategy was produced and launched in 2018.

THEME 3: Business and Resources

- We will create our internal quality assurance processes to underpin our quality performance.
A clinical Director was created in 2018 with direct responsibility for quality compliance.
- We will continue to invest in our existing village accommodation.
The Trust continued to invest in its site enhancement programme investing a further £1.4m within 2018.
- We will make a further £200k in efficiency savings during the year.
The Trust achieved its £200K target in 2018.
- We will restructure the senior team to ensure that it is appropriate to manage a growing organisation.
The trust successfully recruited a Chief Operating Officer in 2018, it also appointed an Operations Director completing its planned senior team restructure.

THEME 4: Growth and development

- Our Community Development team will deliver £750k of funding to individuals and groups across greater Bristol.
- We will update our website to reflect the current offering at our sites.
A new Trust website was launched in 2018, providing a sales and marketing platform whilst also providing information on the history and values of the trust.
- We will establish intergenerational initiatives across our sites, e.g. baby session at The Chocolate Quarter, visiting nursery children at Westbury Fields.
The trust has established a range of intergenerational activities across all of its sites, and continues to be seen as a leader in intergenerational care.
- We will review the chocolate quarter operational model and reflect on learning from this new approach.
A learning review was conducted with recommendations for changes in processes that may be required for future developments.
- We will develop an evaluation method for the community fund so we can better understand the impact of our funding.
The evaluation method was launched in 2018.

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

In 2018, the fund operated in the following manner:

Requests received	763 gift and grant requests received (2017: 842)
Gifts awarded	326 gifts awarded worth £134,835 (2017: £181,145)
Short-term grants	176 new short term grants awarded 64 people receiving a short term grant at the year end Value of short term grants: £86,505 (2017: £86,553)
Annuities	no people receiving an annuity at the year end Value of annuities: £nil (2017: £nil)
Organisations	Grants were awarded to 32 organisations worth £283,451 (2017: 10 organisations; £79,957) including the CAB Residents Advice Service and Active Ageing Bristol. Active Ageing Bristol is a collaboration between St Monica Trust, The Anchor Society and Bristol Sport Foundation providing a specially-targeted programme to enable more people from the local area and over the age of 55 to become in regular physical activity, coaching and volunteering. 2018 saw the third year of our successful collaboration with Quartet Community Foundation, providing grants to Organisations working with older people in North Somerset. Since its launch in 2016, £120,000 has been granted to 13 Organisations. 2018 saw the launch of the first funding round of the Bristol Older Peoples Funding Alliance. This partnership of Bristol based funders enabled groups working with older people in Bristol, to access a joint funding of £80,000.
People helped	At least 433 individuals were helped directly and many more were helped through the work of organisations funded. This included 3,603 individuals supported by SMT funding.
Community Development Team	£101,832 (2017: £103,057)
Total net giving	£606,623 (2017: £450,712)
Operating Costs	£96,729 (2017: £81,046)
TOTAL COMMUNITY FUND COST	£703,352 (2017: £531,758)

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In early 2018, the decision was taken to withdraw from LinkAge as a result of their restructure and change of purpose. The core team now deliver community development under the Trust's name. We have also successfully sought external funding to run two new projects independently of the Community Fund. Projects delivered in 2018 are:

- Continuation of Community Development project in Bedminster/Southville
- Continuation of Community Development project in Stockwood
- Continuation of Befriending Scheme in Bedminster/Southville and Stockwood, with expansion into Sandford and surrounding villages
- The ACE Neighbours programme funded by LinkAge
- An additional ACE Neighbours programme started in September, funded by Sport England through Bristol City Council
- The Stockwood Communities in Transition project funded by Bristol Ageing Better

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

The objectives for the year:

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

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

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

- Income: To provide the Trust with £6.44 million net unrestricted income for 2018.

Achievements for the year have been as follows:

Summary: The market value of St Monica Trust's investments managed by the Endowment Trustee decreased by 2.3% from £269 million at 31 December 2017 to £263 million at 31 December 2018 (see note 13).

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Asset Allocation: The broad asset allocation at 31 December 2018 was:

Agricultural property – 59%

Commercial property – 3%

Financial investments – 35%

Other investments – 1%

Cash on deposit – 2%

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

Agricultural Property Investments:

For the 10 years to 31 December 2018 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 10.1% per annum for the 10 years against the inflation + 3% benchmark of 5.4%.

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.

The composition of the portfolio was fairly stable in 2018 with full redemption of Oaktree High Yield (£4.2m) and investment in Barings Global High Yield Credit (£4.1m). There was also partial redemptions of one global equity fund Kiltarn (£1m) and one emerging markets equity First State (£1m).

For the 10 years to 31 December 2018 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 6.7% per annum for the 10 years against the inflation +3% benchmark of 5.4%.

For the 3 years to 31 December 2018 the portfolio returned 7.3% (2017: 9.2%) against the benchmark of 7.8% (2017: 9.9%). This performance was slightly below benchmark due to market sentiment favouring capital growth as opposed to income generation and there is a bias within the portfolio to value style investing to support the income requirements of the Trust.

Report of the Trustee for the year ended 31 December 2018 (continued)

Income:

The Endowment Investments provided the Trust with £6.54m (2017: £6.33m) of net unrestricted funds in 2018 against a target of £6.0m, an excess of £0.5m. For the three years to 31 December 2018 the Endowment Investments provided the Trust with £18.9m against the target of £17.8m, an excess of £1.1m.

4. Financial review

The Trust's financial position at the end of 2018 was strong, with unrestricted reserves of £20.8 million (2017: £21.5 million) and net assets of £289.4 million (2017: £297.3 million). The Trust is reliant on the unrestricted income from the Permanent Endowment, which in 2018 was £6.5 million (2017: £6.3 million) compared with the target for the year of £6.0 million (2017: £6.1 million).

Subsidiary company results

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

5. Plans for future periods

The Trust will deliver the following objectives in 2019:

THEME 1: Customers

We will develop an internal quality system and processes to help our care services to achieve "Good" and "Outstanding" in CQC ratings.

We will continue to devolve decision-making powers to the villages by rolling out village councils and continuing the development of the Site Executive Teams across all sites.

We will invest £1.5 million in 2019 for the continued enhancement programme across our sites.

We will direct resources to implementing technologies that will enhance the day-to-day experience for residents and customers.

We will use the "What matters to you" initiative to identify the resources needed to support residents and customers.

We will build on our local and national reputation for being a leader in community integration projects.

We will explore the implementation of more flexible financial options for residents within our villages.

We will commence work on defining the Trust's model for dementia-friendly communities.

Report of the Trustee for the year ended 31 December 2018 (continued)

THEME 2: People – Colleagues and volunteers

We will continue to create a great place to work by developing and supporting leaders and aspiring leaders to behave in a way that aligns with our vision and values.

We will attract more people with the right skills and values by improving the candidate journey and offering opportunities for young people to start their career.

We will continue to review our structures and job roles in order to make the best use of the skills we have available and to ensure that people have the opportunity to develop within the organisation.

We will explore more flexible systems of bank working in order to promote a consistent experience for our customers, offer flexible working and reduce the Trust's reliance on agency.

We will increase colleague engagement by communicating and celebrating our unique contribution we make in improving the lives of older people's communities across the region.

We will support colleagues' working lives by enhancing their ability to take advantage of the Trust's existing technology.

THEME 3: Business and Resources

We will be looking to maintain good and outstanding quality services across the Trust, whilst achieving £240,000 savings to improve the financial performance of the Trust.

We will further develop our business planning and review processes for new developments and service expansion.

We will publish how the Trust's charitable subsidy is spent and measure how this benefits our residents, customers and the wider community.

We will review our business continuity plan to ensure that we have contingency plans in place to respond to a Brexit worst-case scenario.

We will demonstrate through benchmarking that we are maximising the use of our charitable financial resources.

We will publish a Trust-wide sustainability strategy.

Our electronic staff rostering system will be standardised before the end of 2019 across all operations in order to plan staff resources.

We will explore the development of specialist procurement to ensure that we realise maximum value for money on our purchases.

THEME 4: Growth and development

In 2019 we will involve stakeholders in the development of a finalised plan for the land at Westbury Fields.

We will implement the Community Impact strategy that brings together community development and the Community Fund and increase Community Fund giving to £800,000.

We will open a health and social care academy in the Keynsham area in 2019.

In 2019 we will explore land purchases for expansion opportunities attached to existing sites.

Together we will review our organisational structures to ensure that they provide a firm foundation for the future growth of the Trust.

We will invest in ensuring that we deliver essential technology infrastructure across the Trust and introduce and review automation technologies to help increase efficiencies.

We will publish our plan for how we use research to improve the lives of older people within our villages, local communities and nationally.

We will start the implementation of our plans to enhance and promote the Trust's brand.

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

Report of the Trustee for the year ended 31 December 2018 (continued)

Disclosure of information to auditors

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

Auditors

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

26 June 2019

By order of the Board



C A Griffiths
President of the Council

Date 26 June 2019

Report of the Trustee and consolidated financial statements Year ended 31 December 2018

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

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

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

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

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

Report of the Trustee and consolidated financial statements Year ended 31 December 2018

Independent auditors' report to the Trustee of St Monica Trust

Opinion

We have audited the group and charity financial statements of St Monica Trust ("the charity") for the year ended 31 December 2018 which comprise the consolidated statement of financial activities (including income and expenditure account), charity statement of financial activities, consolidated cash flow statement, consolidated and parent charity balance sheets and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2018 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of investment property and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity and this is particularly the case in relation to Brexit.

Going concern

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

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

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

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

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

Other information

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

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

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

Trustees' responsibilities

As explained more fully in their statement set out on page 21, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 30 July 2019

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

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

Consolidated statement of financial activities (including an income & expenditure account) for the year ended 31 December 2018

	Note	Restricted funds				Total Funds 2018	Total Funds 2017
		Unrestricted Funds	Designated fund	Other restricted funds	Permanent endowment funds		
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income from charitable activities							
Residential care and support		28,048	-	-	-	28,048	24,389
Accommodation income		4,292	447	-	-	4,739	9,116
Generated funds							
Investment income	3	7,562	-	9	-	7,571	6,925
Total income		39,902	447	9	-	40,358	40,430
Expenditure							
Costs of raising funds							
Investment management charges	5a	(31)	-	-	(703)	(734)	(703)
Property operational costs	5b	(844)	-	-	-	(844)	(497)
Commercial trading operations	5c	(39)	-	-	(357)	(396)	(337)
Total costs of generating funds	5	(914)	-	-	(1,060)	(1,974)	(1,537)
Charitable activities							
Costs in furtherance of the Trust's objects							
Residential care and support	6	(36,643)	-	(9)	(675)	(37,327)	(30,704)
Accommodation costs		(2,652)	-	-	-	(2,652)	(6,807)
Community support		(703)	-	-	-	(703)	(532)
Governance	7	(60)	-	-	-	(60)	(56)
Total charitable expenditure		(40,058)	-	(9)	(675)	(40,742)	(38,099)
Total expenditure		(40,972)	-	(9)	(1,735)	(42,716)	(39,636)
Net income/(expenditure) before investment gains/ (losses)		(1,070)	447	-	(1,735)	(2,358)	794
Realised and unrealised (losses)/gains on investments	13	-	-	(6)	(5,932)	(5,938)	23,804
Net income/(expenditure) before transfers and net income/(expenditure) for the year		(1,070)	447	(6)	(7,667)	(8,296)	24,598
Transfers between funds	8	(344)	290	-	54	-	-
Actuarial gain/(loss) on defined benefit pension	26	-	-	-	316	316	303
Net movement in funds		(1,414)	737	(6)	(7,297)	(7,980)	24,901
Total funds brought forward		18,015	3,455	320	275,546	297,336	272,435
Total funds carried forward	20	16,601	4,192	314	268,249	289,356	297,336

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

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

**Charity statement of financial activities
for the year ended 31 December 2018**

	Note	Unrestricted Funds	Designated fund	Restricted funds		Total Funds 2018	Total Funds 2017
				Other restricted funds	Permanent endowment funds		
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income from charitable activities							
Residential care and support		27,945	-	-	-	27,945	24,389
Accommodation income		4,292	448	-	-	4,740	9,116
Generated funds							
Investment income	3	7,562	-	9	-	7,571	6,925
Total income		39,799	448	9	-	40,256	40,430
Expenditure							
Costs of raising funds							
Investment management charges	5a	(31)	-	-	(703)	(734)	(703)
Property operational costs	5b	(844)	-	-	-	(844)	(497)
Commercial trading operations	5c	(39)	-	-	(357)	(396)	(337)
Total costs of generating funds	5	(914)	-	-	(1,060)	(1,974)	(1,537)
Charitable activities							
Costs in furtherance of the Trust's objects							
Residential care and support	6	(36,643)	-	(9)	(675)	(37,327)	(30,704)
Accommodation costs		(2,652)	-	-	-	(2,652)	(6,807)
Community support		(703)	-	-	-	(703)	(532)
Governance	7	(57)	-	-	-	(57)	(56)
Total charitable expenditure		(40,055)	-	(9)	(675)	(40,739)	(38,099)
Total expenditure		(40,969)	-	(9)	(1,735)	(42,713)	(39,636)
Net income/(expenditure) before investment gains/ (losses)		(1,170)	448	-	(1,735)	(2,457)	794
Realised and unrealised (losses)/gains on investments	13	-	-	(6)	(5,932)	(5,938)	23,804
Net income/(expenditure) before transfers and net income/(expenditure) for the year		(1,170)	448	(6)	(7,667)	(8,395)	24,598
Transfers between funds	8	(344)	290	-	54	-	-
Actuarial gain/(loss) on defined benefit pension	26	-	-	-	316	316	303
Net movement in funds		(1,514)	738	(6)	(7,297)	(8,079)	24,901
Total funds brought forward		18,015	3,455	320	275,546	297,336	272,435
Total funds carried forward	20	16,501	4,193	314	268,249	289,257	297,336

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

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

Consolidated cash flow statement for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net (expenditure)/income		(7,980)	24,901
Interest receivable		(2,401)	(2,244)
Depreciation of tangible assets		2,588	1,422
Profit on disposal of accommodation		(1,642)	(2,041)
Losses/(gains) on investment assets		5,938	(23,634)
Actuarial gains on pension scheme less contributions paid		(410)	(371)
Change in trade and other debtors		(15,011)	(705)
Change in stocks		(6)	1
Change in trade and other creditors		10,507	6,559
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(8,417)	3,888
Cash flows from investing activities			
Interest received		4	8
Dividend income received		2,397	2,236
Purchase of tangible fixed assets		(4,818)	(35,618)
Proceeds from sale of tangible fixed assets		4,292	8,855
Purchase of investments		(8,544)	(15,870)
Decrease in fixed asset investment cash deposits		4,181	620
Proceeds from sale of investments		24,124	22,104
		<hr/>	<hr/>
Net cash from/(used in) investing activities		21,636	(17,665)
Cash flows from financing activities			
Repayment of bank loans		(11,761)	(10,116)
Loan drawdowns		-	14,896
		<hr/>	<hr/>
Net cash (used in)/from financing activities	24	(11,761)	4,780
Movements in cash and cash equivalents in the reporting year		<hr/> 1,458	<hr/> (8,997)
Cash at bank and in hand at beginning of year		3,847	12,844
		<hr/>	<hr/>
Cash at bank and in hand at end of year	24	5,305	3,847
		<hr/>	<hr/>

**Report of the Trustee and consolidated financial statements
Year ended 31 December 2018**

Consolidated and charity balance sheets at 31 December 2018

	Note	Group		Charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Tangible assets	12	148,708	168,754	148,708	168,754
Investments	13	263,309	269,382	263,309	269,382
		<u>412,017</u>	<u>438,136</u>	<u>412,017</u>	<u>438,136</u>
Current assets					
Stocks	14	42	36	42	36
Debtors	15	21,998	6,987	21,998	6,987
Cash at bank and in hand		5,305	3,847	5,305	3,847
		<u>27,345</u>	<u>10,870</u>	<u>27,345</u>	<u>10,870</u>
Creditors: due within one year	16	(51,512)	(24,104)	(51,611)	(24,104)
Net current liabilities		<u>(24,167)</u>	<u>(13,234)</u>	<u>(24,266)</u>	<u>(13,234)</u>
Total assets less current liabilities		<u>387,850</u>	<u>424,902</u>	<u>387,751</u>	<u>424,902</u>
Creditors: due after more than one year	17	(90,399)	(119,061)	(90,399)	(119,061)
Net assets excluding pension liability		<u>297,451</u>	<u>305,841</u>	<u>297,352</u>	<u>305,841</u>
Pension liability	26	(8,095)	(8,505)	(8,095)	(8,505)
Net assets		<u>289,356</u>	<u>297,336</u>	<u>289,257</u>	<u>297,336</u>
Permanent endowment fund net of pension liability		268,249	275,546	268,249	275,546
Other restricted funds	18	314	320	314	320
Total restricted funds		<u>268,563</u>	<u>275,866</u>	<u>268,563</u>	<u>275,866</u>
Designated fund	19	4,192	3,455	4,193	3,455
Unrestricted fund		16,601	18,015	16,501	18,015
Total unrestricted funds		<u>20,793</u>	<u>21,470</u>	<u>20,694</u>	<u>21,470</u>
Total funds		<u>289,356</u>	<u>297,336</u>	<u>289,257</u>	<u>297,336</u>

These financial statements were approved by the Board on 26 June 2019 and were signed on its behalf by:

C A Griffiths
President of the Council

Report of the Trustee and consolidated financial statements Year ended 31 December 2018

Notes

(forming part of the financial statements)

Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), which have been applied consistently.

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

There are no material uncertainties about St Monica Trust and its subsidiary's ability to continue as a going concern. Notwithstanding the Trust's £24.1m net current liabilities at the end of 2018, the Trustees consider that this does not represent a concern, given the overall level of the Trust's investments, the refinancing of the substantial part of the bank loan with Lloyds Bank, or the part repayment from the sale of leasehold properties at Keynsham.

Basis of consolidation

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

The trading results of the subsidiary are disclosed in note 2 to these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Investment properties

The valuation of investment properties is a critical accounting judgement in respect of the application of the Trust's accounting policies. The method by which the Trustees have assessed the fair value of the investment properties at year end is described in detail in note 13. The valuations are based on company data, including current rental rates, occupancy, terms and conditions of leases and upon market related assumptions such as yield and discount rates.

Leasehold Apartment Sales at The Chocolate Quarter

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

Report of the Trustee and consolidated financial statements

Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Defined benefit pension scheme

The Trust has an obligation to pay pension benefits to certain employees and past employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including life expectancy, salary increases, and the discount rate on corporate bonds. The principal assumptions made by the Trust can be found in note 26. Management estimates these factors in determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends.

Donations and legacies

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

Voluntary income

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

Government grants

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

Residential care and support

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

Accommodation Income

The Trust offers leases to tenants at The Chocolate Quarter on a fixed repayment (i.e. the tenant will receive the price they paid on exit) or equity participation basis (i.e. the exit amount is driven by the market). Where the lessee opts for a fixed repayment, the proceeds are recognised as a liability in accordance with the lifetime leases accounting policy described on page 32. However, where the lessee opts for the equity participation arrangement, the Trust is under no obligation to repurchase the apartment until the property has been sold on to a new tenant. Therefore, the proceeds from the initial sale of a property under an equity participation lease are recognised as income in the statement of comprehensive income, with a corresponding cost of sale recognised in accommodation costs.

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

Report of the Trustee and consolidated financial statements Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Expenditure

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

(a) Costs of generating funds relate to those costs incurred in the management of the fixed asset investments.

(b) Costs in furtherance of the Trust's objects relate to those costs incurred in running and supporting the objects of the Trust.

Support costs

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

Grants payable

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

Irrecoverable VAT

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

Recognition of liabilities

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

Tangible fixed assets

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

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

Capitalisation of finance costs

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

Report of the Trustee and consolidated financial statements Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Depreciation

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

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

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

Impairment reviews

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

Lifetime leases

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

In addition the Trust has a further 136 leasehold properties at its site in Keynsham. The lessee has an option at this site to have a fixed repayment lease with the liability recognised as described in the above policy. However, where the lessee opts for an Equity Participation arrangement the accounting policy is as described in the Accommodation Income note on page 30.

Report of the Board and consolidated financial statements

Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

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. No depreciation or amortisation is provided in respect of freehold investment properties.

Stocks

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

Leased assets

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

Pension costs

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

The Trust pays certain discretionary pensions, which are not funded under a closed defined benefit scheme. The pension liability in respect of this obligation is recognised in the balance sheet based on annual actuarial valuations. Actuarial gains or losses are included in the statement of financial activities. Further details in respect of unfunded pension liabilities are contained in note 26. 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.

Report of the Board and consolidated financial statements
Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Basic financial instruments

(a) Trade and other debtors / creditors

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

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

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

(c) Fixed asset investments

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

(d) Cash and cash equivalents

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

Permanent endowment fund

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

Report of the Board and consolidated financial statements Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Restricted funds

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

(a) Residents' legacy fund

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

(b) Community support fund

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

Unrestricted fund

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

Designated fund

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

Subsidiaries

Details of subsidiary undertakings owned by the charity are disclosed in note 2.

Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, St Monica Trading Limited.

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Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

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

St Monica Trading Limited was incorporated on 17 November 2017. The subsidiary's figures below and within the 2018 consolidation are for the long period 17 November 2017 – 31 December 2018. This is the first year that consolidated accounts have been prepared. It is not considered necessary to restate the consolidated comparative figures for the one month that St Monica Trading Limited was active in 2017, as the impact would be immaterial.

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

Report of the Board and consolidated financial statements
Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

The assets and liabilities of the subsidiary were:

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

Report of the Board and consolidated financial statements
Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

3 Investment income

Group and charity	2018	2017
	£'000	£'000
(a) Unrestricted fund		
Commercial investment properties	1,068	545
Agricultural investment properties	4,102	4,136
Listed and other investments	2,291	2,122
Interest on cash deposits	4	8
Other investments	97	104
	7,562	6,915
(b) Restricted funds		
Distributions from CCLA Investment Management Limited	9	10
	7,571	6,925

4 Analysis of total resources expended

Group and charity

	Staff costs	Depreciation	Other costs	2018	2017
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds					
(note 5)	-	-	1,974	1,974	1,537
Charitable expenditure					
Residential care and support (note 6)	25,461	2,588	9,278	37,327	30,704
Accommodation costs	-	-	2,652	2,652	6,807
Community support	164	-	539	703	532
Governance costs (note 7)	-	-	60	60	56
	25,625	2,588	12,529	40,742	38,099
	25,625	2,588	14,503	42,716	39,636

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

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Year ended 31 December 2018

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

5 Costs of generating funds

Group and charity

	2018 £'000	2017 £'000
(a) Investment management charges		
Society of Merchant Venturers of Bristol – reallocation of salaries, overheads and general advisory	242	234
Investment manager fees	112	109
Agricultural estate management	349	360
Commercial properties management	31	-
	<u>734</u>	<u>703</u>
(b) Property operational costs		
Agricultural estates	439	491
Commercial properties	405	6
	<u>844</u>	<u>497</u>
(c) Major repairs & other costs		
Agricultural estates	396	337
Total costs of generating funds	<u>1,974</u>	<u>1,537</u>

6 Residential care and support

Group and charity

	2018 £'000	2017 £'000
Staff costs	25,461	21,591
Residential services	742	654
Site services	1,445	1,082
Provisions and catering	1,369	1,079
Insurance	353	301
Property and equipment (including depreciation)	5,086	3,859
Miscellaneous	800	615
Management and administration	2,071	1,523
	<u>37,327</u>	<u>30,704</u>

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Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

7 Governance costs

	2018 £'000	2017 £'000
Group		
Auditor's remuneration (including irrecoverable VAT)		
- for audit	35	30
- other professional services	23	26
Trustee expenses	2	-
	60	56
Charity		
Auditor's remuneration (including irrecoverable VAT)		
- for audit	32	30
- other professional services	23	26
Trustee expenses	2	-
	57	56

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 £2k during the year (2017: £Nil).

8 Transfers

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

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

9 Staff numbers and costs

The average headcount in the year for the group was 1,495 (2017: 1,269).

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

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

(forming part of the financial statements)

	2018	2017
	Total	Total
	£'000	£'000
Residential care and support	807	714
Community support	3	3
Management of the Trust	23	22
	<u>833</u>	<u>739</u>

The aggregate payroll costs were as follows:

	2018	2017
	Total	Total
	£'000	£'000
Wages and salaries	22,159	19,042
Social security costs	1,506	1,310
Pensions	853	759
Agency staff costs	1,107	654
	<u>25,625</u>	<u>21,765</u>

During the year, the Trustees were not paid any remuneration or reimbursed for expenses, and no Trustees (2017 – no Trustees) made donations to the charity (2017 - £nil was donated).

Key management remuneration in total for the year was £745,461 (2017: £693,725).

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

	2018	2017
	Number	Number
£60,001 to £70,000	3	2
£70,001 to £80,000	3	3
£80,001 to £90,000	3	1
£90,001 to £100,00	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,00	-	-
£150,001 to £160,000	-	-
£170,001 to £180,000	-	1
£180,001 to £190,000	<u>1</u>	<u>-</u>

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

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Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

10 Net movement on funds is stated after charging

	2018	2017
	£'000	£'000
Auditors' remuneration – Charity (excluding VAT)	27	25
Auditors' remuneration – Subsidiary (excluding VAT)	2	-
Auditors' remuneration – for other professional services	19	22
Depreciation and other amounts written off tangible fixed assets	2,588	1,422
Inventories recognised as an expense	1,369	1,033

11 Taxation

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

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax on results of the year	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (19%), (2017: 19%). The differences are explained below:

	2018	2017
	£'000	£'000
<i>Current tax reconciliation</i>		
Profit before tax (of trading subsidiary only)	<u>99</u>	<u>-</u>
Current tax at 19%	19	-
<i>Effects of:</i>		
Gift Aid payments	(19)	-
Total current tax charge (see above)	<u>-</u>	<u>-</u>

Report of the Board and consolidated financial statements
Year ended 31 December 2018

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

12 Tangible fixed assets

	Assets in the course of construction £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Group and charity					
<i>Cost</i>					
At beginning of year	22,192	153,252	15,349	317	191,110
Transfers – Investment Asset	(19,626)	-	-	-	(19,626)
Other adjustments	-	(1,193)	3,081	-	1,888
Additions	-	857	2,058	15	2,930
Disposals in the year	-	(2,494)	(225)	-	(2,719)
At end of year	<u>2,566</u>	<u>150,422</u>	<u>20,263</u>	<u>332</u>	<u>173,583</u>
<i>Depreciation</i>					
At beginning of year	-	12,198	9,901	257	22,356
Charge for year	-	628	1,922	38	2,588
Depreciation on disposals	-	(7)	(62)	-	(69)
At end of year	<u>-</u>	<u>12,819</u>	<u>11,761</u>	<u>295</u>	<u>24,874</u>
<i>Net book value</i>					
At 31 December 2018	<u>2,566</u>	<u>137,603</u>	<u>8,502</u>	<u>37</u>	<u>148,708</u>
At 31 December 2017	<u>22,192</u>	<u>141,054</u>	<u>5,448</u>	<u>60</u>	<u>168,754</u>

The above schedule includes finance costs of £3,890,000 (2017: £3,718,000) relating to loan interest and charges incurred for financing the new Keynsham, Monica Wills House, the sheltered flats and the Garden House Annexe at Cote Lane, and the Sandford developments.

Land costing £26,025,000 (2017: £25,575,000) is not depreciated.

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

'Other adjustments' relates to estimated amounts capitalised at the previous year end regarding blocks A & B of the Chocolate Quarter, now amended to reflect final figures.

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Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

13 Fixed asset investments

Group

	Investment Properties £'000	Financial securities £'000	Cash on deposit £'000	Other investments* £'000	Total £'000
Cost					
At 1 January 2018	36,061	70,314	8,744	2,914	118,033
Transfer from Fixed Assets	19,626	-	-	-	19,626
Additions	817	7,726	-	-	8,543
Disposals	(29)	(6,393)	(4,181)	-	(10,603)
At 31 December 2018	56,476	71,647	4,563	2,914	135,600
Revaluation – unrealised gains					
At 1 January 2018	127,889	24,384	-	(924)	151,349
Disposals	(1,520)	(2,189)	-	-	(3,709)
Net gains arising on revaluation	(11,521)	(8,209)	-	(201)	(19,931)
At 31 December 2018	114,848	13,986	-	(1,125)	127,709
Net book value					
At 31 December 2018	171,324	85,633	4,563	1,789	263,309
At 31 December 2017	163,950	94,698	8,744	1,990	269,382

There were total realised and unrealised losses during the year of £5,938,000 (2017: gains of £23,804,000).

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

Investments with a market value of greater than 5% total quoted securities at 31 December 2018 and 2017:

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Year ended 31 December 2018

Notes (continued)

(forming part of the financial statements)

Investment	Portfolio 2018	Portfolio 2017
Artemis Equity Income Fund	5.4%	5.7%
Brummer Multi-Strategy 2 XL Fund	5.9%	5.5%
Investec UK Special Situations Fund	6.5%	6.7%
Newton Global Higher Income Fund	10.1%	9.5%
JO Hambro Global Select Equity Fund	5.6%	5.1%
KBI Institutional Developed Equity Fund	10.0%	10.1%
Trojan Income Fund	6.6%	6.7%
Kiltearn Global Equity Fund	8.9%	10.4%
First State Emerging Markets Fund	-	6.6%
Neptune Equity Income Fund	5.2%	5.1%
Threadneedle Global Equity Fund		-

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

	2018 £'000	2017 £'000
Commercial property (note (a))	(200)	360
Agricultural property (note (b))	115,048	127,527
	114,848	127,887

(a) Subject to the exception noted under (c) below, the commercial property has been valued at 31 December 2018 by CBRE Limited in accordance with the RICS Valuation – Professional Standards 2014 (the 'Red Book').

(b) The agricultural property has been valued at 31 December 2018 by the Land Steward in accordance with the RICS Valuation – Professional Standards 2014 (the 'Red Book').

(c) Block C at The Chocolate Quarter has not been externally valued, but has instead been valued by the Trustees based on cost at £20.4m. This is deemed to be appropriate as it is not considered likely that the value will have changed by a material amount in the short period since acquisition.

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Year ended 31 December 2018

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

Charity

	Subsidiary undertakings £'000	Investment Properties £'000	Financial securities £'000	Cash on deposit £'000	Other investments* £'000	Total £'000
Cost						
At 1 January 2018	-	36,061	70,314	8,744	2,914	118,033
Transfer from Fixed Assets	-	19,626	-	-	-	19,626
Additions	-	817	7,726	-	-	8,543
Disposals	-	(29)	(6,393)	(4,181)	-	(10,603)
At 31 December 2018	-	56,476	71,647	4,563	2,914	135,600
Revaluation – unrealised gains						
At 1 January 2018	-	127,889	24,384	-	(924)	151,349
Disposals	-	(1,520)	(2,189)	-	-	(3,709)
Net gains arising on revaluation	-	(11,521)	(8,209)	-	(201)	(19,931)
At 31 December 2018	-	114,848	13,986	-	(1,125)	127,709
Net book value						
At 31 December 2018	-	171,324	85,633	4,563	1,789	263,309
At 31 December 2017	-	163,950	94,698	8,744	1,990	269,382

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

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

14 Stocks

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Sundry stocks	42	36	42	36

Stock relates to catering purchases in the SoFA of £1,369,000 (2017: £1,033,000)

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Notes (continued)

(forming part of the financial statements)

15 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	1,772	1,253	1,772	1,253
Prepayments and accrued income	3,873	3,702	3,873	3,702
Other debtors	16,353	2,032	16,353	2,032
	21,998	6,987	21,998	6,987

Other debtors includes accrued consideration for Agricultural disposals of £14,690,700. This consists of £11,749,000 for the Cheddington disposal and £2,941,700 in respect of the disposal of Quakers Walk.

16 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	1,908	1,145	1,908	1,145
Bank loan	29,113	2,785	29,113	2,785
Amounts due to lifetime leasehold tenants	13,633	12,541	13,633	12,541
Other creditors	1,850	1,637	1,850	1,637
Tax and Social Security	560	456	560	456
Accruals and deferred income	4,448	5,540	4,444	5,540
Amounts owed to group undertakings	-	-	103	-
	51,512	24,104	51,611	24,104

Accruals and deferred income includes accruals of £2,283,000 and deferred income comprising £2,165,000.

Within bank loans, £29,000,000 of borrowing facilities with Lloyds bank that relate to the Trusts' development at Keynsham were reviewed post year end. Following this review a new three year borrowing facility with Natwest bank will be in place from July 2019. This has resulted in the reclassification of creditors falling due within one year in 2018.

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Notes (continued)

(forming part of the financial statements)

Deferred income comprises care home fees of £1,180,081, sheltered housing rent and service charges of £427,000 and commercial rents of £558,000:

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Deferred income brought forward	1,439	1,379	1,439	1,379
Recognised in the year	2,165	1,439	2,165	1,439
Released to the SoFA in the year	(1,439)	(1,379)	(1,439)	(1,379)
Deferred income carried forward	2,165	1,439	2,165	1,439

17 Creditors: amounts falling due after more than one year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank loan	3,199	41,288	3,199	41,288
Amounts due to lifetime leasehold tenants	87,200	77,773	87,200	77,773
	90,399	119,061	90,399	119,061
Age analysis of bank loan				
Due within one year	29,113	2,785	29,113	2,785
Between two and five	2,704	40,793	2,704	40,793
After five years	495	495	495	495
	32,312	44,073	32,312	44,073

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

Bank loans consist of:

- Keynsham development loan consists of two revolving loan facilities. Facility A is for £20,000,000 and is fully utilised. The interest rate is 1.50% above bank base rate and had been repayable in March 2019. Facility B is for £16,000,000 and at the year-end £9,000,000 was utilised. The interest rate is 0.90% above bank base rate. Repayment of these borrowing facilities was subsequently extended to 31 October 2019.
- Sandford development loan of £2,226,160 which was for a period of 10 years and is due for repayment in December 2020. It is an interest only loan with a rate of 0.45% above LIBOR.
- John Wills Annex loan of £1,085,568 which is due for repayment by January 2028. The interest rate is 0.65% above bank base rates.

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

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Notes (continued)

(forming part of the financial statements)

18 Other restricted funds – Group and charity

	At 1 January 2018	Incoming resources	Outgoing resources	Gains on investments	At 31 December 2018
	£'000	£'000	£'000	£'000	£'000
Residents' legacy fund	146	4	(4)	(2)	144
Community support fund	174	5	(5)	(4)	170
	320	9	(9)	(6)	314

19 Designated fund – Group and charity

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

	Total £'000
At 1 January 2018	3,455
Accommodation income	290
Transfer from the unrestricted fund	447
At 31 December 2018	4,193

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Notes (continued)

(forming part of the financial statements)

20 Analysis of funds

Group

	Unrestricted fund	Designated fund	Restricted fund	Permanent endowment fund	Total
Movement in funds	£'000	£'000	£'000	£'000	£'000
At 1 January 2018	18,015	3,455	320	275,546	297,336
Net incoming/(outgoing) resources	(1,070)	447	-	(1,735)	(2,359)
Transfers between funds	(344)	290	-	54	-
Gains on investment assets	-	-	(6)	(5,932)	(5,938)
Actuarial gain on pension liability	-	-	-	316	316
At 31 December 2018	16,601	4,192	314	268,249	289,356
Representation of fund balances	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	8,539	-	-	140,169	148,708
Investments	-	-	279	263,030	263,309
Cash and bank balances	5,319	-	-	(14)	5,305
Other current assets and liabilities	2,743	4,192	35	(36,442)	(29,472)
Long term creditors	-	-	-	(90,399)	(90,399)
Pension liability	-	-	-	(8,095)	(8,095)
At 31 December 2018	16,601	4,192	314	268,249	289,356
Unrealised investment asset losses included above	-	-	-	(19,331)	(19,331)

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(forming part of the financial statements)

Charity

	Unrestricted fund	Designated fund	Restricted fund	Permanent endowment fund	Total
Movement in funds	£'000	£'000	£'000	£'000	£'000
At 1 January 2018	18,015	3,455	320	275,546	297,336
Net incoming/(outgoing) resources	(1,170)	448	-	(1,735)	(2,457)
Transfers between funds	(344)	290	-	54	-
Gains on investment assets	-	-	(6)	(5,932)	(5,938)
Actuarial gain on pension liability	-	-	-	316	316
At 31 December 2018	16,501	4,193	314	268,249	289,257
Representation of fund balances	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	8,539	-	-	140,169	148,708
Investments	-	-	279	263,030	263,309
Cash and bank balances	5,319	-	-	(14)	5,305
Other current assets and liabilities	2,643	4,193	35	(36,442)	(29,571)
Long term creditors	-	-	-	(90,399)	(90,399)
Pension liability	-	-	-	(8,095)	(8,095)
At 31 December 2018	16,501	4,193	314	268,249	289,257
Unrealised investment asset losses included above	-	-	-	(19,331)	(19,331)

21 Capital commitments

	2018 £'000	2017 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	5,346	7,183

22 Operating leases as a lessee

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

	2018 Group and Charity plant and machinery £'000	2017 Group and Charity plant and machinery £'000
Within one year	13	22
Between one and five years	28	26
After five years	-	-
	41	48

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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 £15,000 (2017: £27,000).

23 Operating leases as a lessor

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

	2018	2017
	Group and Charity leasehold property £'000	Group and Charity leasehold property £'000
Within one year	1,088	4
Between one and five years	6,500	-
After five years	7,109	-
	<hr/> 14,697 <hr/>	<hr/> 4 <hr/>

24 Reconciliation of movement in net cash

	At 1 January 2018 £'000	Cash flow £'000	At 31 December 2018 £'000
Investments	8,744	(4,181)	4,563
Cash at bank and in hand	3,847	1,458	5,305
Bank loan	(44,073)	11,761	(32,312)
	<hr/> (31,482) <hr/>	<hr/> 9,038 <hr/>	<hr/> (22,444) <hr/>

25 Related party transactions

The Trust paid a fee including reallocation of salaries and overhead costs totalling £242,000 (2017: £234,000) 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 £3,000 (2017: £3,000) was paid by the Trust on the behalf of the Trustees.

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(forming part of the financial statements)

26 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 2018 by PriceWaterhouseCoopers, a qualified independent actuary who are a fellow of the Institute of Actuaries. Pension payments made for the year ended 31 December 2018 in respect of the defined benefit pensions were £303,000 (2017: £304,000).

The principal assumptions made by the Trust were:	2018	2017	2016	2015
	%	%	%	%
Rate of increase in pensionable salaries	3.2	3.1	3.2	2.9
Rate of increase in pensions in payment	3.0	3.0	3.0	2.8
Inflation rate	3.2	3.1	3.2	2.9
Discount rate	2.8	2.5	2.7	3.8
Pensioner and non-pensioner mortality SAPS all MC	1% pa	1% pa	1% pa	1% pa
The amounts recognised in the balance sheet are as follows:	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(8,095)	(8,505)	(8,876)	(7,915)
Deficit in the scheme	(8,095)	(8,505)	(8,876)	(7,915)

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(forming part of the financial statements)

Analysis of amount charged to net outgoing resources in respect of defined benefit pensions	2018 £'000	2017 £'000
Interest on pension liability	(209)	(236)
Total operating charge	(209)	(236)
Movement in liability during the year	2018 £'000	2017 £'000
Liability at the start of the year	(8,505)	(8,876)
Movement:		
Employer contributions (including pension payments)	303	304
Interest cost	(209)	(236)
Actuarial gain	316	303
Liability at the end of the year covered by a specific provision in the financial statements	(8,095)	(8,505)
Analysis of amount recognised in the statement of financial activities	£'000	£'000
Actuarial gain recognised in the statement of financial activities	316	303

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(forming part of the financial statements)

Amounts for the current and previous four periods are as follows

	2018	2017	2016	2015	2014
	£'000	£'000	£'000	£'000	£'000
Scheme assets	-	-	-	-	-
Scheme liabilities	(8,095)	(8,505)	(8,876)	(7,653)	(7,915)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in plan	(8,095)	(8,505)	(8,876)	(7,653)	(7,915)
Actuarial gains/(losses) on liabilities	316	303	(1,249)	221	88
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Statement of total recognised gains and losses for the period ending 31 December	316	303	(1,249)	221	88
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Other pension scheme

The Trust also contributes to a group personal pension plan. The contributions made by the Trust to this pension scheme are charged to the statement of financial activities when they fall due and were £644,000 (2017: £522,000).

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Notes (continued)

(forming part of the financial statements)

27 Comparative charity statement of financial activities

	Note	Unrestricted Funds	Designated fund	Restricted funds		Total Funds 2017
		£'000	£'000	Other restricted funds	Permanent endowment funds	£'000
				£'000	£'000	
Income						
Income from charitable activities						
Residential care and support		24,389	-	-	-	24,389
Accommodation income		8,855	261	-	-	9,116
Generated funds						
Investment income	3	6,915	-	10	-	6,925
Total income		40,159	261	10	-	40,430
Expenditure						
Costs of raising funds						
Investment management charges	5a	-	-	-	(703)	(703)
Property operational costs	5b	(497)	-	-	-	(497)
Major repairs and other costs	5c	-	-	-	(337)	(337)
Total costs of generating funds	5	(497)	-	-	(1,040)	(1,537)
Charitable activities						
Costs in furtherance of the Trust's objects						
Residential care and support	6	(30,059)	-	(10)	(635)	(30,704)
Accommodation costs		(6,807)	-	-	-	(6,807)
Community support		(532)	-	-	-	(532)
Governance	7	(56)	-	-	-	(56)
Total charitable expenditure		(37,454)	-	(10)	(635)	(38,099)
Total expenditure		(37,951)	-	(10)	(1,675)	(39,636)
Net income/expenditure before investment gains		2,208	261	-	(1,675)	794
Realised and unrealised gains on investments	13	-	-	21	23,783	23,804
Net income/expenditure before transfers and Net income/(expenditure) for the year		2,208	261	21	22,108	24,598
Transfers between funds	8	(344)	290	-	54	-
Actuarial gain/(loss) on defined benefit pension	25	-	-	-	303	303
Net movement in funds		1,864	551	21	22,465	24,901
Total funds brought forward		16,151	2,904	299	253,081	272,435
Total funds carried forward	20	18,015	3,455	320	275,546	297,336