

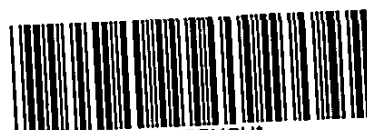
COMPANY NO 1089026
CHARITY NO 502224
TENANT SERVICES AUTHORITY NO: H3158

St Anne's Community Services

Report and financial statements

Year ended 31 March 2011

THURSDAY



AZWORYCU

A35

13/10/2011

147

COMPANIES HOUSE

ST ANNE'S COMMUNITY SERVICES

CONTENTS

Section	Page
Company information	1
Report of the Chief Executive	2-4
Report of the Board	5-9
Independent auditors' report	10
Income and expenditure account	12
Statement of total recognised surpluses and deficits	12
Balance sheet	13
Cash flow statement	14
Notes to the financial statements	15-32

COMPANY INFORMATION

Board	Ms S Saunders (Chairman) Ms L Jackson (Deputy Chairman) Mr A Akbor Ms V Belton Mr B Craven Ms S Humphrey Mr P Jones Mrs A Legg Ms V Long Mr T Moran Mr M Morgan Mr D Rigby Mr P Shillito Mr J Tait
Senior Management Team	
Acting Chief Executive	Mrs J Robinson
Finance Director and Deputy Chief Executive	Mrs J A Micklethwaite
Director – Planning and Administration and Company Secretary	Mr H J Baczowski
Director – Human Resources	Mrs S Carr
Directors - Operations	Ms K Newsome
Registered office	6 St Mark's Avenue Leeds LS2 9BN
Registered number	1089026
Charity Commission	502224
Tenant Services Authority	H3158
Auditors	Grant Thornton UK LLP No1 Whitehall Riverside Leeds LS1 4BN
Bankers	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
Solicitors	Cobbetts LLP No1 Whitehall Riverside Leeds LS1 4BN

REPORT OF THE CHIEF EXECUTIVE

The year being reported on has seen the predictions of the previous year having an impact upon the sector as a whole. We were last year awaiting the outcome of the comprehensive spending review and the impact of this can now be clearly seen by all. In the year reflected in this report we have not seen great differences to the funding received for many of our services but what has been necessary is the preparation in readiness for the funding cuts to the public sector in the year to come which will result in these measures being passed onto us through our contracts which are held with the many differing authorities. However the organisation is well prepared for the impact of this potentially difficult time and on a positive note we have within the year seen a number of opportunities.

This year has also seen the changes within the Care Quality Commission who have the responsibility for the regulation of many of our services. During this year changes to the regulatory requirements have been introduced with the Provider Compliance Assessments (PCA) commencing as the commission begin to regulate against the new framework.

During 2011 we are focusing our attention on the development of a quality framework for the organisation and the first step of this is the work teams will complete as part of the team planning process.

This report details achievements looking back at the Organisational plan 2008-2011, achievements against the seven outcomes within the plan over the past financial year with a look ahead to the new organisational strategy 2011-2014 which will build upon these achievements. As this report is published, the celebrations in 2011 for St Anne's 40th successful year as a provider of innovative, person centred services are well underway. As our success continues a huge thank you goes to everyone who has contributed to this significant achievement since the beginnings in 1971 to the present day.

Chosen as service provider because we offer excellence

As clients continue to be at the centre of everything the organisation sets out to achieve it is always important that the satisfaction of individuals remains high. This year has seen continued improvements in our satisfaction ratings from clients, families and carers and other stakeholders. This continues to be a priority as we move into the new organisational strategy including how we can ensure we ascertain the satisfaction levels of those clients who have profound complex needs.

Greater participation through person centred services

Clients have continued to be important members of the Board providing an invaluable and important element to the governance of St Anne's and recruitment will take place in the current year to build upon this. In the new strategy we will also be looking at improved ways of client involvement from across the organisation building upon the many forums that are already in existence.

Following on from the previous Big Events (client conference) a third successful event was again held in 2010 and yet again the numbers of people attending increased with clients having the opportunity to give their feedback in the "Big Brother" booth as well as participating in a wide range of activities.

The focus on client involvement in 100% of the recruitment of staff at every level of the organisation has continued to be a priority which has been achieved.

Growing by doing what we say we will.

The development of services continues to be through a combination of winning tenders, working constructively with commissioners and through increased referrals from a range of sources, including people purchasing their own support. We have continued to work with commissioners on the re-profiling of our services in North Yorkshire, Kirklees, Wakefield and Leeds. As a result of this work we have seen a number of changes to services during the year. This has included amongst others the opening of a new short breaks service in Dewsbury, a move to supported living from registered care in the mental health service in Wakefield and the establishment of a domiciliary care service in Leeds. We were also successful in the re-tender of the short breaks service in Calderdale. There has also been continued growth of supported living services in the North East, York, Bradford and Kirklees.

We have also supported more clients using direct payments or individual budgets. Work will continue into the new strategy identifying how we can promote the services St Anne's can offer to individuals who are looking for support.

REPORT OF THE CHIEF EXECUTIVE (CONTINUED)

A positive, diverse organisation contributing to community cohesion

A new Diversity Strategy group has been set up which will comprise SMT in the first instance, with others being involved as necessary. One of the first objectives will be to begin work on the Investors in Diversity standard, this will help diagnose where we need to focus our attention over the next three years.

We have again retained the Disability two ticks symbol.

I am also pleased to report that St Anne's has successfully achieved the Carer Friendly chartermark, which provides recognition of our good practice as an employer in this area. We have committed to a 12 month action plan and our retention of the chartermark will be reviewed based on the actions achieved in the coming year.

More people want to work for St Anne's:

We have throughout the year seen improvements in the retention of staff with turnover reducing in excess of the target set within the Organisational plan.

The management development programme has continued successfully and been complemented by a management trainee scheme to support staff with career progression and to support succession planning. The competency framework is being used in all staff appraisals during the year. The Workforce Development Strategy Group was set up in January 2010 and has been very useful in providing a clear sense of direction for workforce development issues. Over the last 12 months, the group has taken a number of key operational decisions as well as overseeing a number of initiatives. This has included a new induction programme for newly appointed staff and a review of the appointment and training of casual workers.

Top Team awards continue to provide recognition for teams who have gone the extra mile in terms of provision of service quality. A number of nominations have been approved and certificates awarded to the teams which has been very well received.

This year St Anne's again took part in the Best Company staff attitude survey and with improved results and improved return rates we were again awarded "one to watch" status which demonstrates continued improvement.

We have been working very closely with Skills for Care to recruit a number of people internally to act as "Care Ambassadors", who will represent St Anne's and the care sector at external events (e.g. schools visits, job fairs etc). Six of our managers have been accepted as Care Ambassadors and this will provide a good opportunity for external networking and promotion of St Anne's.

Learning is integral to everything we do

A very successful celebration of achievement event was held for all the learners in St Anne's who have achieved a qualification during the year.

We achieved Investors in People Gold status of which we are extremely proud of and an action plan has been produced to ensure we demonstrate continuous improvement.

As the Care Quality Commission no longer has set quotas requiring organisations to train a certain proportion of their staff we have changed our approach. Managers now have responsibility for ensuring that all their staff are competent. In order to support this, one of the major pieces of work over the next 12 months will be for each service to produce a Staff Development Plan for their service, identifying what skills, knowledge and qualifications staff within their service will need to have to be deemed competent. The Workforce Development Strategy group will oversee this and all teams are being asked to carry out this review as part of the 2011/12 team planning process.

As part of our management development programme we will be offering opportunities for additional support and development to experienced First Line Managers to enable them to be considered for Area Manager posts in the future. The programme will take participants through the competency framework at the level set for Area Managers and they will be supported by a mentor and their line manager.

Value for money is demonstrated through all of our activity

Throughout the year we have continued to work hard to demonstrate value for money. We have continued at every level of the organisation to look for efficiencies particularly with our procurement practices and through this we have identified the areas where cost reductions can be achieved. These are currently being implemented whilst always being mindful that we want clients to be in receipt of high quality services.

REPORT OF THE CHIEF EXECUTIVE (CONTINUED)

Conclusion

In what has been a challenging year it is pleasing to be able to look back on the many achievements of St Anne's as it continues to grow and develop whilst being a strong contributor to the sector across Yorkshire and the North East of England. We continue to demonstrate the commitment to our mission to provide dignity, quality care, support and housing services that promote independence, opportunity and inclusion. It is the contribution of the staff and volunteers at all levels of the organisation which is the factor that makes this achievable along with the experience of the Board who govern and guide the organisation. I would like to take this opportunity to thank each and every person for the part they play in making St Anne's Community Services the successful organisation it is.

Julie Robinson

A handwritten signature in black ink, appearing to read 'Julie Robinson', written in a cursive style.

REPORT OF THE BOARD

The Board presents its report together with financial statements for the year ended 31 March 2011

Principal activities

St Anne's is registered as a charity, a company and a housing association and is principally engaged in providing accommodation, working with single homeless people and people with special housing needs

Business review

A review of the year's activities and future prospects is given in the Report of the Chief Executive

The Association incurred a deficit of £241,000 (2010 surplus £298,000) during the year. After transfers to designated reserves an amount of £259,000 has been transferred from the revenue reserve (2010 transfer to the revenue reserve £237,000)

The Association's income and expenditure accounts and balance sheets are summarised in the following table

For the year ended 31 March	2011	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000	£'000
Income and Expenditure account						
Turnover	33,455	33,041	31,792	33,144	32,306	30,486
Operating surplus (before FRS 17 Adjustments)	1,099	737	214	247	499	206
Surplus on sale of fixed asset investment	27					
Exceptional items	104		(396)			
Interest receivable and similar income	179	163	322	418	293	284
FRS 17 Adjustments	(1,650)	(602)	(889)	(767)	(746)	127
(Deficit)/surplus for the year	(241)	298	(749)	(102)	46	617
Transfer (to)/from designated reserves	(6)	(51)	2,116	(135)	(22)	(158)
Transfer (to)/from Charity Fund	(12)	(10)	6	4	5	7
Transfer (from)/to revenue reserve	(259)	237	1,373	(233)	29	466
Balance Sheet						
Tangible fixed assets	2,733	2,740	2,703	2,569	2,429	2,388
Fixed asset investments	4,710	4,367	3,346	3,236	3,128	3,050
Net current assets	5,951	4,879	5,089	5,129	4,625	3,896
Total assets less current liabilities	13,394	11,986	11,138	10,934	10,182	9,334
Loans due (over 1 year)	3	3	4	5	6	6
Provision for liabilities and charges		-	-	25		
Net Pension liability	7,385	24,013	6,957	8,104	3,452	5,267
Reserves General Charity Fund	115	103	93	99	103	108
Investment revaluation	7	352	403	313	250	194
Designated	2,709	2,703	2,652	4,768	4,633	4,611
Revenue	10,560	8,825	7,986	5,724	5,190	4,415
FRS 17 pension liability	(7,385)	(24,013)	(6,957)	(8,104)	(3,452)	(5,267)
	13,394	11,986	11,138	10,934	10,182	9,334

REPORT OF THE BOARD (CONTINUED)

Board members

The Board members at the end of the year are listed below

Members

Ms S Saunders (Chairman)**
Ms L Jackson (Deputy Chairman) *
Mr A Akbor *
Ms V Betton
Mr B Craven
Ms S Humphrey *
Mr P Jones*
Mrs A Legg*
Ms V Long
Mr T Moran*
Mr M Morgan
Mr D Rigby**
Mr P Shillito
Mr J Tait **

Mrs A Legg was appointed to the Board on 27 April 2010
Mr S Charlesworth resigned from the Board on 22 February 2011

* - denotes a member of the Audit Committee

** - denotes a member of the Remuneration Committee

NHF Code of Governance

We are pleased to report that the Association complies with the principal recommendations of the NHF Code of Governance (revised 2004)

Board

The Association's Board is limited to 20 members including co-optees

The Board has introduced processes for annual appraisal of its own performance, both in a collective and an individual basis. In line with NHF recommendations it will continue to review its membership to ensure that the number of members is consistent with effective decision making

The Board is responsible for the Association's strategy and policy framework. The day to day implementation of that policy is delegated to the Chief Executive and the other members of the Senior Management team who meet bi-weekly

Recruitment of Board Members

The Association seeks to recruit Board members from as wide a range of backgrounds as possible and with a view to securing all the skills appropriate to the management of an organisation of this size and type. The Association has used and will continue to use external advertisements with a view to identifying a wider range of potential Board members

Committees

The Board has an Audit Committee and a Remuneration Committee

The Audit Committee consists of five members of whom at least two are members of the Board. The committee meets at least three times a year and considers the appointment of internal and external auditors, the scope of their work and their reports. It also reports to the Board on the effectiveness of the Association's internal control arrangements

REPORT OF THE BOARD (CONTINUED)

The Remuneration Committee consists of four members of the Board and meets at least once a year. The Committee determines the pay and conditions of service of the Chief Executive and other members of the Senior Management Team and considers annually whether and at what level a cost of living pay award should be made to them.

Internal Controls Assurance

The board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies to all organisations within the group.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the group is ongoing, has been in place throughout the period commencing 1 April 2010 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

1 Identifying and evaluating key risks

The Association's risk management policy sets out arrangements in place for identifying, evaluating and controlling significant risk. The structure of risk management responsibilities included in the policy aims to ensure that all parts and all levels of the organisation are included in the risk management process.

2 Control environment and internal controls

The processes to identify and manage the key risks to which the Association is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include strategic planning, the recruitment of senior staff, regular performance monitoring, control over developments, raising risk awareness and monitoring Health and Safety practice and performance.

3 Information and reporting systems

The budget for the year ahead is reviewed and approved by the Board prior to the start of the new financial year. Performance against budget is monitored throughout the year by the Board. Reports at least twice in each financial year enable the Board to monitor the treasury management operation and the exercise of delegated treasury management powers.

4 Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. Independent assurance is provided by internal audit to the Board, via the Audit Committee.

A fraud register is maintained. Any fraudulent incidences are reported to the Board. The overall value of frauds reported during the year was below the threshold for reporting to the Tenant Services Authority.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the audit committee to regularly review the effectiveness of the system of internal control. The board receives reports from the audit committee together with minutes of audit committee meetings.

The Board has received the chief executive's annual review of the effectiveness of the system of internal control for the association and its subsidiaries, and the annual report of the internal auditor, and has reported its findings to the board.

REPORT OF THE BOARD (CONTINUED)

Board responsibilities for the financial statements

The board is responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law and housing legislation in the United Kingdom require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company at the end of the year and of the surplus or deficit of the group and company for the year then ended

In preparing those financial statements the board is required to

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable United Kingdom Accounting Standards and the Statement of Recommended Practice Accounting by registered social landlords (2008), subject to any material departures disclosed and explained in the financial statements

The board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and company and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing Act 1996 (to 31 March 2010), the Housing and Regeneration Act 2008 (from 1 April 2010) and the Accounting Requirements for Registered Social Landlords General Determination 2006. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice Accounting by registered social landlords (2008)

The board is responsible for the maintenance and integrity of the corporate and financial information on the group's website

Going Concern

After making enquiries the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements

Annual general meeting

The annual general meeting will be held on xx November 2011 at the registered office

Employee involvement

The Association has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Association

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees

Tax status

The Association is a registered charity and consequently has no liability to taxation

Disclosure of information to auditors

At the date of making this report, each of the Association's Board members, as set out on page 6, confirms the following -

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANNE'S COMMUNITY SERVICES

We have audited the financial statements of St Anne's Community Services for the year ended 31 March 2011 which comprise the income and expenditure account, the balance sheets, the cash flow statement, the statement of total recognised surpluses and deficits and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

As explained more fully in the Statement of Board Responsibilities set out on page 8, the board is responsible for the preparation of the Report of the Board and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the Companies Act 2006 and the Housing and Regeneration Act 2008, and have been prepared in accordance with the Companies Act 2006.

In addition, we report to you whether the financial statements are in compliance with the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

We also report to you whether the information given in the Report of the Board is consistent with those financial statements.

We report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE BOARD (CONTINUED)

- so far as each Board member is aware, there is no relevant information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware, and
- each Board member has taken all the steps that he ought to have taken as a Board member in order to make themselves aware of any relevant audit information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information

Statement of compliance

In preparing this Board report, the Board has followed the principles set out in the SORP 2008

Auditors

Grant Thornton UK LLP are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

BY ORDER OF THE BOARD



Mr H J Baczkowski
Secretary
26 July 2011

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Turnover continuing activities	2	33,455	33,041
Operating costs	2	(33,521)	(32,231)
Operating (deficit)/surplus continuing activities	2&7	(66)	810
Surplus on sale of fixed asset investment	5	27	-
Release of provision made to reduce bank deposit to its estimated realisable value	10	104	-
Interest receivable and similar income	6	179	163
Other finance interest	26	(485)	(675)
(Deficit)/Surplus for the financial year		(241)	298

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
for the year ended 31 March 2011

	2011 £'000	2010 £'000
(Deficit)/Surplus for the financial year	(241)	298
(Loss) on revaluation of investments	(1)	(51)
Actuarial gain/(loss) relating to pension scheme	10,595	(16,454)
Total recognised surpluses/(deficits) relating to the financial year	10,353	(16,207)

Included within the actuarial gain is £7,683,000 relating to the government's announcement on 22 June 2010 that future pensions' increases would be linked to CPI rather than RPI. This amount has been recognised in the Statement of Total Recognised Surpluses and Deficits in accordance with the Urgent Issues Task Force Abstract 48, as the Directors consider that no constructive obligation existed prior to the announcement to link such benefit increases to RPI. As such, the resulting gain has been accounted for as a change in actuarial assumption.

The notes on pages 15 to 32 form part of these financial statements

The financial statements were approved by the Board on 26 July 2011 and signed on its behalf by



Ms S Saunders

Chairman



Ms L Jackson

Deputy Chairman



Mr H J Baczowski

Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANNE'S COMMUNITY SERVICES
(CONTINUED)**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of the charitable company's income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with Companies Act 2006,
- the financial statements are in compliance with the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006,
- the information given in the Report of the Board is consistent with the financial statements



Graham Nunns ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds, England
26 July 2011

BALANCE SHEET
at 31 March 2011

	Note	2011 £'000	2010 £'000
Tangible fixed assets			
Housing properties			
Gross cost less depreciation		16,736	16,683
Less Social housing and other government grants		(14,589)	(14,541)
		2,147	2,142
Other tangible fixed assets		586	598
	8	2,733	2,740
Fixed asset investments	9	4,710	4,367
		7,443	7,107
Current assets			
Debtors	10	2,245	2,929
Investments	11	4,471	3,854
Cash at bank and in hand		4,457	3,710
		11,173	10,493
Creditors amounts falling due within one year	12	(5,222)	(5,614)
Net current assets		5,951	4,879
Total assets less current liabilities		13,394	11,986
Creditors: amounts due after more than one year	13	3	3
Net pension liability	26	7,385	24,013
		7,388	24,016
Capital and reserves			
General charity fund	15	115	103
Investment revaluation reserve	16	7	352
Designated reserves	17	2,709	2,703
Revenue reserve	18	3,175	(15,188)
		6,006	(12,030)
		13,394	11,986

The notes on pages 15 to 32 form part of these financial statements

The financial statements on pages 12 to 32 were approved by the Board on 26 July 2011 and signed on its behalf by

Ms S Saunders

Chairman



Ms L Jackson

Deputy Chairman



Mr H J Baczkowski

Secretary



Company number 1089026

CASH FLOW STATEMENT
at 31 March 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	20	<u>1,758</u>	<u>2,592</u>
Returns on investments and servicing of finance			
Interest received and similar income		<u>211</u>	<u>207</u>
		<u>211</u>	<u>207</u>
Capital expenditure and financial investment			
Acquisition and construction of housing properties		(53)	(38)
Purchase of other tangible fixed assets		(347)	(1,436)
Capital grants received		109	25
Purchase of fixed asset investment		(2,036)	-
Sale of fixed asset investment		<u>1,722</u>	<u>-</u>
		<u>(605)</u>	<u>(1,449)</u>
Financing activities			
Repayment of loans		<u>-</u>	<u>(1)</u>
Increase in cash and current asset investments	21	<u>1,364</u>	<u>1,349</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

1 ACCOUNTING POLICIES

Legal status

The Association is registered under the Companies Act 2006 and is registered with the Tenant Services Authority as a social landlord

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice accounting by Registered Social Landlords 2008, and comply with the Accounting Requirements for Registered Social Landlords General Determination 2006

The financial statements are prepared on the historical cost basis of accounting

Turnover

Turnover comprises rental income receivable, fees and grants from central and local government and the proceeds of fund raising activities

Group financial statements

The Association has taken advantage of the exemption from preparing group financial statements contained in Section 402 of the Companies Act 2006 on the grounds that its subsidiary undertaking is immaterial to the Group under section 405(2) of the Act. Details of the subsidiary undertaking are set out in note 9

Fixed assets and depreciation

Assets acquired before 31 March 1981

Fixed assets acquired before 31 March 1981 have not been depreciated. All capital expenditure prior to that date has been written off against appropriate central and local government grants and any shortfall has been written off to revenue in the year in which it was incurred

Assets acquired after 31 March 1981

Tangible fixed assets, except freehold properties, are stated at cost less accumulated depreciation. Depreciation is charged by equal annual instalments over the expected useful lives of the assets. The periods generally applicable are

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

Freehold properties

Freehold land is not depreciated. Depreciation is charged so as to write down the net book value of freehold properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic lives. The depreciable amount is arrived at on the basis of original cost, less proportion of SHG and other grants, attributable to freehold properties less residual value. The freehold properties are depreciated over a range between 20 and 50 years.

Works to existing properties are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension to the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

1 ACCOUNTING POLICIES (continued)

The depreciation calculated on the basis set out above is immaterial due to the length of the remaining useful lives and is not recorded. Impairment reviews are carried out on an annual basis in accordance with FRS 11.

Social housing grant

Social housing grant (SHG) is receivable from the HCA (formerly from the Housing Corporation) and is utilised to reduce the capital costs of housing properties, including land costs. SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Impairment

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating surplus.

Investments

Non quoted investments are accounted for on a historical cost basis less any provision for impairment. Quoted investments are accounted for at market value at the balance sheet date. Any upward movement in valuation is taken to the investment revaluation reserve and shown in the statement of total surpluses and deficits. Any reduction in investments value is charged to the investment reserve and shown in the statement of total recognised surpluses and deficits, to the extent that there has been a previous upward valuation. Any excess reduction in market value over previous upward valuations is charged to the income and expenditure account.

Designated reserves

Where fixed assets are financed by the Association's own reserves an amount equivalent to the cost of the fixed assets is transferred from revenue to a designated reserve financing capital expenditure.

An amount equivalent to the annual depreciation charge on such assets is transferred from designated reserves financing capital expenditure to revenue reserves.

Where as a result of management decisions taken on specific future major repairs, capital expenditure, and other projects, reserves cannot be regarded as available for general use, a transfer is made from the revenue reserve to designated reserves.

Allocation of head office expenses

Head office salaries and overhead expenses are charged to the various housing and non-housing activities of the Association on the basis of estimated time spent.

True and fair override

Under the requirements of the SORP, capital grants are shown as a deduction from the cost of housing properties on the balance sheet. This is a departure from the rules under Schedule 1 of Statutory Instrument 2008/410 but in the opinion of the Board is a relevant accounting policy, comparable to that adopted by other registered social landlords that has been adopted in order to present a true and fair view.

General Charity Fund

The General Charity Fund has been created from donations and the proceeds of fund raising activities and is available to meet expenditure within the Association's objectives for which no other finance is available.

Leased assets

All assets leased are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

1 ACCOUNTING POLICIES (continued)

Pensions

The Association operates two defined benefit pension schemes for the benefit of its employees, the National Health Service Pension Scheme and the West Yorkshire Pension Fund

For the National Health Service Pension, it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

For the West Yorkshire Pension Fund, the operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in the fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the income and expenditure account with any other changes in fair value of assets and liabilities being recognised in the statement of total recognised surpluses and deficits.

Supported housing managed by agencies

Social housing capital grants are claimed by the Association as developer and owner of the property and included in the balance sheet of the Association. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the Association and its managing agents and on whether the Association carries the financial risk.

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

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

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

2 TURNOVER OPERATING COSTS AND OPERATING SURPLUS

	2011			2010		
	Turnover £'000	Operating costs £'000	Operating Surplus £'000	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	<u>10,903</u>	<u>(9,750)</u>	<u>1,153</u>	<u>11,304</u>	<u>(10,210)</u>	<u>1,094</u>
Other social housing activities						
St Anne's Centre	265	(342)	(77)	271	(328)	(57)
Respite Services	1,494	(1,403)	91	1,034	(1,016)	18
Tenancy support- Supporting People	3,568	(3,722)	(154)	3,562	(3,525)	37
Tenancy support -						
Other funding	8,080	(7,468)	612	7,483	(7,151)	332
Funded projects	1,094	(1,074)	20	1,163	(1,157)	6
Fund raising & Publicity	34	(22)	12	30	(20)	10
Other	<u>121</u>	<u>(567)</u>	<u>(446)</u>	<u>107</u>	<u>(655)</u>	<u>(548)</u>
	<u>14,656</u>	<u>(14,598)</u>	<u>58</u>	<u>13,650</u>	<u>(13,852)</u>	<u>(202)</u>
Non-social housing activities						
Lettings	7,582	(7,694)	(112)	7,782	(7,937)	(155)
Other	<u>314</u>	<u>(314)</u>	<u>-</u>	<u>305</u>	<u>(305)</u>	<u>-</u>
	<u>7,896</u>	<u>(8,008)</u>	<u>(112)</u>	<u>8,087</u>	<u>(8,242)</u>	<u>(155)</u>
Total before pension adjustments	<u>33,455</u>	<u>(32,356)</u>	<u>1,099</u>	<u>33,041</u>	<u>(32,304)</u>	<u>737</u>
FRS17 Pension adjustments						
Pension contributions paid	-	1,419	1,419	-	1,329	1,329
Pension operating (charge) – Current service cost	<u>-</u>	<u>(2,584)</u>	<u>(2,584)</u>	<u>-</u>	<u>(1,256)</u>	<u>(1,256)</u>
Total	<u>33,455</u>	<u>(33,521)</u>	<u>(66)</u>	<u>33,041</u>	<u>(32,231)</u>	<u>810</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

2 TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Hostels & Supported Housing £'000	Residential Care Homes £'000	2011 Total £'000	2010 Total £'000
Turnover from social housing lettings				
Rent receivable net of identifiable service charges	1,101	5,904	7,005	6,513
Service income	1,236	-	1,236	1,267
Charges for Support Services	1,183	-	1,183	950
Net rental income	3,520	5,904	9,424	8,730
Revenue grants	20	1,450	1,470	2,571
Other income	9	-	9	3
Turnover from social housing lettings	3,549	7,354	10,903	11,304
Expenditure on social housing lettings				
Management and care	732	3,525	4,257	4,426
Services	1,388	3,512	4,900	5,149
Routine maintenance	430	122	552	372
Major repairs expenditure	-	-	-	210
Bad debts	36	5	41	53
Operating costs on social housing lettings	2,586	7,164	9,750	10,210
Operating surplus on social housing lettings	963	190	1,153	1,094
Void losses	274	114	388	450

ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

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

	2011 No	2010 No
Social housing		
Supported housing and hostels	359	359
Residential care homes	188	188
	547	547
Non-social housing		
Registered nursing homes	118	118

Where the agency carries the financial risk, the Association's income and expenditure account includes only the income and expenditure for which it retains responsibility. The organisation managing units for the Association, is detailed below

Managing body	Units at start of year	Units at end of year
Leeds Housing Concern	5	5

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

2. TURNOVER OPERATING COSTS AND OPERATING SURPLUS (continued)

2(a) FUND RAISING AND PUBLICITY

	£'000 2011	£'000 2010
Gifts and donations received	34	30
Direct charitable expenditure	(22)	(20)
	<u>12</u>	<u>10</u>
Transfer to general charity fund		
	<u>10</u>	<u>10</u>
Fund raising and publicity costs		

3. DIRECTORS AND EMOLUMENTS

The directors of the Association are the members of the Board, the Chief Executive and other members of the Senior Management team

	2011 £'000	2010 £'000
Emoluments of the Association's directors (salary, pension contributions and benefits in kind)	396	431
Emoluments of the highest paid director (excluding pension contributions)	61	71
Compensation for loss of office	45	-

The Chief Executive is an ordinary member of one of the Association's pension schemes. No enhanced or special terms apply and there is no individual arrangement to which contributions are made.

The highest paid director in the year was not the Chief Executive due to a change of personnel within the period.

No emoluments were paid to members of the Board during the year.

	2011 £	2010 £
Total expenses reimbursed to the directors of the Association (not chargeable to tax)	<u>1,377</u>	<u>1,364</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

4 EMPLOYMENT INFORMATION

Average monthly number of employees expressed in full time equivalent of 35 hours.

	2011 No	2010 No
Finance and administration staff	54	55
Maintenance and development staff	14	13
Care staff	1,012	988
	<u>1,080</u>	<u>1,056</u>

Employee costs

	2011 £'000	2010 £'000
Staff costs (for the above persons)		
Wages and salaries	23,709	23,554
Social security costs	1,622	1,602
Other pension costs	1,664	1,569
	<u>26,995</u>	<u>26,725</u>

Agency costs are included within employee costs

5. SURPLUS ON SALE OF FIXED ASSET INVESTMENT

	2011 £'000	2010 £'000
Disposal proceeds	1,721	-
Carrying value of asset	1,694	-
	<u>27</u>	<u>-</u>

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Dividends receivable	31	45
Loan interest receivable	1	1
Bank and building society interest receivable	147	117
	<u>179</u>	<u>163</u>

7 OPERATING (DEFICIT)/SURPLUS

Operating (deficit)/surplus is arrived at after charging

	2011 £'000	2010 £'000
Depreciation of other tangible fixed assets	320	376
Auditors' remuneration (including VAT)		
- for audit services	18	17
Operating leases		
- Land & buildings	83	74
- Other	297	300
	<u>297</u>	<u>300</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

8 TANGIBLE FIXED ASSETS

	Freehold housing property £'000	Other freehold properties £'000	Additions to leasehold premises £'000	Office and workshop equipment £'000	Furniture fixtures and fittings £'000	Total £'000
Cost						
1 April 2010	16,685	6,354	33	860	4,983	28,915
Additions to existing properties	53	-	-	-	-	53
Other additions	-	-	-	60	287	347
Disposals	-	(356)	-	-	-	(356)
31 March 2011	16,738	5,998	33	920	5,270	28,959
Social Housing and other capital grants						
1 April 2010	14,541	5,963	-	119	815	21,438
Received during the year	48	-	-	-	39	87
Disposals	-	(356)	-	-	-	(356)
31 March 2011	14,589	5,607	-	119	854	21,169
Depreciation						
1 April 2010	2	4	33	692	4,006	4,737
Charge for the year	-	-	-	46	274	320
On disposals	-	-	-	-	-	-
31 March 2011	2	4	33	738	4,280	5,057
Net book value at 31 March 2011	2,147	387	-	63	136	2,733
Net book value at 31 March 2010	2,142	387	-	49	162	2,740

The cost of freehold property at 31 March 2011 includes interest capitalised of £270,000 (2010 £270,000) Cost and capital grants received include £ 22,000 (2010 £22,000) for fixed assets funded by the Big Lottery Fund

SOCIAL HOUSING AND OTHER GRANTS

	2011 £'000	2010 £'000
Total accumulated Social Housing Grant and other Grants	21,169	21,438
Capital grant	21,169	21,438

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

9 FIXED ASSET INVESTMENTS

Total fixed asset investments comprise

	2011 £'000	2010 £'000
Interest in subsidiary	-	-
Listed investments	4,700	4,357
Other fixed asset investments	10	10
Net book value at 31 March 2011	4,710	4,367

The historical cost of fixed asset investments is £ 4,738,000 (2010 £4,052,000) The listed investments are carried in the financial statements at market value

Interest in subsidiary

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

The aggregate capital and reserves of the Company at the 31 March 2011 amounted to £3,182 (2010 £4,700) The loss for the year after tax was £1,518 (2010 Surplus £1,339)

Other fixed asset investments

This represents a secured loan to an unconnected undertaking

Listed investments

	£'000
Market value at 1 April 2010	4,357
Additions in year at cost	2,036
Disposals	(1,694)
Increase in value through Income and Expenditure Account	2
Decrease in value to Revaluation Reserve	(1)
Market value at 31 March 2011	4,700

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Arrears of rent	337	755
Less Provision for bad and doubtful debts	(159)	(125)
	178	630
Invoiced debtors	1,421	1,339
Other debtors	101	36
Prepayments and accrued income	490	711
Amounts owed by subsidiary company	-	11
Estimated amount due from bank administration	55	202
	2,245	2,929

At 31 March 2009 a deposit of £1,059,000 with a bank in administration was written down to its then estimated realisable value of £529,000 During the two years ended 31 March 2011 £579,000 was repaid An additional dividend received in May 2011 is included in the year end debtor above The latest administrator's report dated April 2011 identifies an estimate of a further £192,000 to £276,000 in dividends However, this has not been recognised as a year end debtor due to the level of uncertainty surrounding the receipt of any future dividends

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

11. CURRENT ASSET INVESTMENTS

	2011 £'000	2010 £'000
Money market deposits	<u>4,471</u>	<u>3,854</u>

12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Social housing allowances	6	6
Trade creditors	415	463
Capital expenditure on housing properties	11	11
Pension contributions	191	211
Other creditors	520	685
Committed revenue grant deferred income	2,876	2,912
Accruals and deferred income	704	836
Other taxation and social security	475	490
Committed capital grant	22	-
Amount owed to subsidiary company	<u>2</u>	<u>-</u>
	<u>5,222</u>	<u>5,614</u>

13. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £'000	2010 £'000
Other loans	<u>3</u>	<u>3</u>

The loans are repayable at varying rates of interest by instalments over more than 5 years and are secured by special charges on various housing properties

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

14 DEBT ANALYSIS

Borrowings are repayable as follows

	2011 £'000	2010 £'000
Between two and five years	1	1
After five years	<u>2</u>	<u>2</u>
	<u>3</u>	<u>3</u>

15 GENERAL CHARITY FUND

	2010 £'000
At 1 April 2010	103
Transfer from revenue reserve	<u>12</u>
At 31 March 2011	<u>115</u>

16 REVALUATION RESERVE – FIXED ASSET INVESTMENTS

	2011 £'000
At 1 April 2010	352
Movement in year	(1)
Transfer to revenue reserve	<u>(344)</u>
At 31 March 2011	<u>7</u>

ST ANNE'S COMMUNITY SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011**

17 DESIGNATED RESERVES

	Financing capital expenditure	Reserve for major repairs	Total
	£'000	£'000	£'000
At 1 April 2010	2,508	195	2,703
Transfer from revenue reserve	6	-	6
At 31 March 2011	<u>2,514</u>	<u>195</u>	<u>2,709</u>

18. REVENUE RESERVE

	£'000
At 1 April 2010	(15,188)
(Deficit) for the year	(241)
Transfer to charity fund	(12)
Transfer to designated reserves	(6)
Transfer from revaluation reserve	344
Actuarial gain relating to pension scheme	18,278
At 31 March 2011	<u>3,175</u>

At 31 March 2011 the Revenue Reserve included £7,385,000 defined benefit pensions' liability (2010 £24,013,000)

The Association endeavours to maintain reserves at a level, which ensures that investment income generated is sufficient to cover the cost of those activities for which no other funding is available

19 RECONCILIATION OF MOVEMENTS IN FUNDS

	2011 £'000	2010 £'000
Total recognised surpluses	1,408	848
Opening funds	<u>11,986</u>	<u>11,138</u>
Closing funds	<u>13,394</u>	<u>11,986</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

20 RECONCILIATION OF OPERATING SURPLUS TO OPERATING CASH FLOW

	2011 £'000	2010 £'000
Operating (deficit)/surplus	(66)	810
Depreciation of tangible fixed assets	320	377
(Increase) in value of fixed asset investments	(2)	(36)
Release of provision against debtor	104	-
Pensions operating charge	2,584	1,256
Pension contributions paid	(1,419)	(1,329)
Decrease in debtors	651	127
(Decrease)/increase in creditors	(414)	1,387
	-	-
	<u>1,758</u>	<u>2,592</u>

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2010 £'000	Cashflow £'000	At 31 March 2011 £'000
Cash at bank and in hand	3,710	747	4,457
Current asset investment	<u>3,854</u>	<u>617</u>	<u>4,471</u>
	7,564	1,364	8,928
Loans	<u>(3)</u>	<u>-</u>	<u>(3)</u>
	<u>7,561</u>	<u>1,364</u>	<u>8,925</u>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £'000	2010 £'000
Net funds at 1 April 2010	7,561	6,211
Increase in cash and current asset investments in the year	1,364	1,349
Cash inflow from funding	<u>-</u>	<u>1</u>
Net funds at 31 March 2011	<u>8,925</u>	<u>7,561</u>

23. CAPITAL COMMITMENTS

	2011 £'000	2010 £'000
Authorised by the Board and contracted	<u>-</u>	<u>-</u>

24 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2011 or 31 March 2010

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

25 LEASING COMMITMENTS

The payments, which the Association is committed to make in the next year under operating leases are as follows

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases expiring				
In one year or less	-	49	-	33
Between one and five years	85	181	72	229
	<u>85</u>	<u>230</u>	<u>72</u>	<u>262</u>

26 PENSIONS

The Association operates two pension schemes, paying pension contributions to the National Health Service Pension Scheme and the West Yorkshire Pension Fund. Both schemes are defined benefit schemes.

National Health Service Pension Scheme

NHSPS is a multi-employer defined benefit scheme. The scheme is unfunded. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers and, due to the nature of the scheme, the income and expenditure account charge for the period under both SSAP 24 and FRS 17 represents the employer contribution payable.

Employer contributions were made at the rate of 14% during the accounting period. Payments to the scheme in the period amounted to £245,635 (2010: £269,082). Members contribute at a rate of 6%.

The scheme is subject to full valuations every four years (previously every five years). The last valuation took place as at 31 March 1999. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published every October. These accounts can be viewed on the NHS Pension Agency website at www.nhs.gov.uk.

West Yorkshire Pension Fund (WYPF)

The WYPF is a multi-employer scheme with more than one participating employer, which is administered by the City of Bradford Metropolitan District Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary using the projected unit credit method. The most recent formal actuarial valuation was completed as at 31 March 2010 and rolled forward to 31 March 2011, by a qualified independent actuary.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

26 PENSIONS (continued)

The market value of the scheme's assets at 31 March 2010 was £7,942 million against scheme liabilities of £8,532 million, a deficit of £590 million. The main actuarial assumptions used in the valuation were

Long-term gilt yields	
Fixed interest	4.5%
Index linked	0.7%
Implied price inflation	
Retail Prices Index (RPI)	3.8%
Consumer Prices Index (CPI)	3.3%
In service discount rate	
Admission bodies	6.25%
Left service discount rate	
Admission bodies	4.75%
Rate of pay increases	
	5.3%
Rate of pension increases	
Benefits in excess of GMPs	3.3%
Post 5 April 1988 GMPs	2.7%
Rate of deferred pension increases	
Deferred pension increases	3.3%
GMP increases in deferment	5.3%

Contributions

The employers' contributions to the WYPF by St Anne's for the year ended 31 March 2011 were £1,419,000 (2010 £1,329,000). The employers' contribution rate has been fixed at 12.7% of pensionable pay for the year ending 31 March 2012. Employees' contribution rates have been fixed at rates between 5.5% and 7.5% dependant on salary levels. The employers' regular contributions to the Fund for the accounting period ending 31 March 2012 are estimated to be £1,516,000.

Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 17 basis were

	31 March 2011 % per annum	31 March 2010 % per annum	31 March 2009 % per annum
Rate of increase in salaries	5.2	5.75	5.05
Rate of increase in pensions in payment	2.8	4.0	3.3
Discount rate	5.4	5.6	7.1
Inflation assumption- RPI	3.7	4.0	3.3
Inflation assumption CPI	2.8		
Expected rate of return on assets			
Equities	8.4	8.0	7.5
Government Bonds	4.4	4.5	4.0
Other Bonds	5.1	5.5	6.0
Property	7.9	8.5	6.5
Cash/Liquidity	1.5	0.7	0.5
Other	8.4	8.0	7.5

St Anne's Community Services employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2011.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

26 PENSIONS (continued)

Mortality assumptions

The post retirement mortality assumptions used to value the benefit obligations at 31 March 2011 are based on the Standard SAPS Normal Health All Amounts series. The PA92 series was used to value obligations at 31 March 2010.

The assumed life expectations on retirement at age 65 are

	2011 % per annum	2010 % per annum
Retiring today		
Males	21.9	21.8
Females	24	25.4
Retiring in 20 years		
Males	23.7	24.1
Females	26	27.9

Amounts recognised in the balance sheet

	2011 £'000	2010 £'000
Present value of funded obligations	50,104	61,111
Fair value of plan assets	(42,719)	(37,098)
Deficit	7,385	24,013
Amount in balance sheet		
Liabilities	7,385	24,013

Statement of total recognised surpluses and deficits Year ended 31 March

	2011 £'000	2010 £'000
Actuarial gain in pension scheme recognised in STRSD	10,595	(16,454)
Cumulative actuarial loss recognised in STRSD	(4,354)	(14,949)

Included within the actuarial gain is £7,683,000 relating to the government's announcement on 22 June 2010 that future pensions' increases would be linked to CPI rather than RPI. This amount has been recognised in the Statement of Total Recognised Surpluses and Deficits in accordance with the Urgent Issues Task Force Abstract 48, as the Directors consider that no constructive obligation existed prior to the announcement to link such benefit increases to RPI. As such, the resulting gain has been accounted for as a change in actuarial assumption.

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

26. PENSIONS (Continued)

Analysis of the amount charged to the income and expenditure account:

	2011 £'000	2010 £'000
Current service cost	2,584	1,256
Expected return on pension scheme assets	(2,677)	(1,721)
Interest on pension scheme liabilities	<u>3,162</u>	<u>2,396</u>
Total operating charge	<u>3,069</u>	<u>1,931</u>

£2,584,000 (2010 £1,256,000) was charged to the operating surplus and £485,000 (2010 £675,000) was charged to other finance interest

Changes in present value of defined benefit obligations

	2011 £'000	2010 £'000
Opening defined benefit obligation	61,111	33,264
Current service cost	2,584	1,256
Interest cost	3,162	2,396
Actuarial (gains)/losses	(9,036)	24,468
Past service cost	(7,683)	-
Benefits/transfers paid	(753)	(983)
Member contributions	<u>719</u>	<u>710</u>
Closing defined benefit obligation	<u>50,104</u>	<u>61,111</u>

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

	2011 £'000	2010 £'000
Opening fair value of assets	37,098	23,307
Expected return on scheme assets	2,677	1,721
Actuarial gains	1,559	8,014
Contributions by employer	1,419	1,329
Member contributions	719	710
Net benefits paid	<u>(753)</u>	<u>(983)</u>
	<u>42,719</u>	<u>37,098</u>

ST ANNE'S COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

26 PENSIONS (Continued)

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

	2011	2010
Equities	73.1%	70.6%
Bonds	15.3%	16%
Property	3.6%	3.3%
Cash /liquidity	2.3%	3.9%
Other	5.7%	6.2%
	<u>100%</u>	<u>100%</u>

	2011	2010
	£'000	£'000
Actual return on plan asset	<u>4,236</u>	<u>9,735</u>

Amounts for the current and previous four periods are as follows

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(50,104)	(61,111)	(33,264)	(39,633)	(34,139)
Fair value of scheme assets	42,719	37,098	26,307	31,529	30,610
(Deficit) on scheme	(7,385)	(24,013)	(6,957)	(8,104)	(3,529)
Experience adjustments on plan liabilities	-	-	-	(65)	-
Experience adjustments on plan assets	1,559	8,014	(8,527)	(2,594)	328

27 Related party transactions

Advantage has been taken of the exemption conferred by FRS 8 not to disclose related party transactions with other group entities

During the year there were three client members of the Board, Mr Billy Craven, Ms Veronica Long and Mr Peter Shillito. Their transactions are on normal commercial terms and they are not able to use their position to their advantage.