

REGISTRAR OF COMPANIES

St Mary's Convent and Nursing Home (Chiswick)

Annual Report and Financial Statements

31 March 2018

Company Limited by Guarantee
Registration Number 03959483
(England and Wales)

Charity Registration Number 1080751

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Legal and administrative information

Trustees	Miss Catherine Mary Allen (Sister Mary Clare SSM) Miss Cynthia Boreham (Sister Cynthia Clare SSM) Miss Jennifer Goodeve (Sister Jennifer Anne SSM) Miss Pamela Groombridge (Sister Mary Paul SSM) Mr J B Randle Mr R I Turner Sir Graham Morgan Mr C M Mackay
Company secretary	Ms Catharine Owst (until 22 March 2018) Mrs Yamiko Lawton (from 22 March 2018)
Registered office	Burlington Lane Chiswick London W4 2QE
Company registration number	03959483 (England and Wales)
Charity registration number	1080751
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR
Investment managers	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Report of the trustees (incorporating a strategic report) 31 March 2018

The trustees, who are directors of the charitable company for the purposes of company law and trustees for the purposes of charity law, present their statutory report together with the financial statements of St Mary's Convent and Nursing Home (Chiswick) ("the charity" or "the charitable company") for the year ended 31 March 2018.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 25 and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The charity was established by the members of the Chapter of Saint Margaret's Convent (Chiswick) which is the Mother House of the Society of Saint Margaret (an Anglican religious order) founded in 1855 by John Mason Neale DD. The principal activity of the charity is to operate St Mary's Convent and Nursing Home ("St Mary's") based in Chiswick.

Objectives, activities and other relevant policies

Objectives and activities

The object of the charity is the advancement of the Anglican Christian religion in particular:

- ◆ by providing residential home accommodation, nursing and other care facilities to members of the public, to members of the convent and to members of the charity;
- ◆ by the promotion and maintenance of public worship; and
- ◆ by the promotion of religious and spiritual teaching.

St Mary's aims are to:

- ◆ provide excellent personal and nursing care to its 60 residents, in a homely environment, where they live as part of an extended Christian family, whilst also having the right to privacy and independence;
- ◆ provide care, delivered by skilled staff, underpinned by the core values of privacy, dignity, choice, rights, proper assessment of risk, respect, equality, fulfilment, independence and security, to a standard which embraces the fundamental principles of good practice and meets the requirements of the Care Act 2014;
- ◆ recognise each resident as an individual and enable the resident to achieve the highest possible quality of life throughout their stay. Family and friends are welcome and are involved in care planning and delivery, providing the resident gives consent; and

Report of the trustees (incorporating a strategic report) 31 March 2018

Objectives, activities and other relevant policies (continued)

Objectives and activities (continued)

- ♦ enable the resident to experience a comfortable and peaceful death, surrounded by loved ones and caring staff.

The activities and fundamental ethos of St Mary's are:

- ♦ to provide nursing and residential care for elderly residents, who are physically frail, disabled or require supervision due to mental and/or physical deterioration. The Home is staffed by registered nurses and care assistants, most of whom have Qualifications and Credit Framework ("QCF") qualifications at levels 2, 3 and 5;
- ♦ to provide holistic care for the residents, including meeting social and spiritual needs. This involves a varied activity programme throughout the week, both inside the Home and out. Staff, volunteers and paid contributors are involved in providing the programme;
- ♦ to provide a local care home for the older people of Chiswick and surrounding areas, so they do not have to move away for this facility, and can maintain local links and involvement if they wish;
- ♦ to provide five one bedroom independent living bungalows within the grounds of St Mary's;
- ♦ to enable the residents to live as independently as possible, in their own rooms, respecting their choices for decoration and room layout where practically possible;
- ♦ to provide assistance to residents if they need it, but to limit interventions to suit their needs and desires, ensuring they maintain control over their lives and enabling them to take risks within a monitored and safe environment; and
- ♦ to provide a homely, flexible and accepting environment where the resident and their families and friends feel able to continue their relationships and enjoy family life, arranging and participating in any activities that are important to the resident's cultural, social or religious needs.

St Mary's recognises that its clients (the residents) are vulnerable. Many of them are physically and/or mentally frail. They may be unable to give informed consent or make appropriate choices or judgements. Some are not able to recognise risks to themselves or maintain their own safety. As an ethical organisation, based on Christian values, St Mary's adopts practices to protect these vulnerable adults, including:

- ♦ Disclosure and Barring Service (DBS) criminal record checks for all staff and volunteers;
- ♦ Safeguarding of Vulnerable Adults (SOVA) training for all staff and volunteers;
- ♦ Vulnerable adult policy – service wide agreement;
- ♦ Training and induction for staff (video and questionnaire, QCF);

Report of the trustees (incorporating a strategic report) 31 March 2018

Objectives, activities and other relevant policies (continued)

Objectives and activities (continued)

- ◆ Gifts and gratuities policy;
- ◆ Restraint policy and regular medication review;
- ◆ Accident/incident policy;
- ◆ Nursing and Midwifery Council register checked (registered nurses only); and
- ◆ Supervision as required by the Care Quality Commission.

Public benefit

The charity reviews its aims, objectives and achievements each year and this report comments on achievements during the year ended 31 March 2018 and also considers plans for the future. In undertaking the review of aims, objectives and achievements the trustees have paid due regard to guidance issued by the Charity Commission in determining how the charity should carry out its activities for the public benefit.

The charity fulfils its charitable purposes for the public benefit in the following ways:

- ◆ providing high standards of care for its 60 residents;
- ◆ giving that care at fee rates materially lower than the rates charged by commercially operated homes of comparable quality;
- ◆ caring for those residents reliant on public funding at fee rates materially lower than St Mary's normal rates. The trustees continue to be concerned about the extent of this public subsidy but it is the unfortunate reality of the inadequacy of public funding for residential care for the elderly. St Mary's status as a charity helps ensure that residents are not prevented by lack of means from enjoying the high standard of care St Mary's is able to provide;
- ◆ being a place of both public and private worship for residents, staff and visitors alike. The presence of the Chapel distinguishes St Mary's from most other care homes and provides a spiritual element to the atmosphere at St Mary's; and
- ◆ although St Mary's is run by an Anglican Christian religious order, it is open to all irrespective of their religious beliefs.

The charitable status of St Mary's substantially enhances its ability to fulfil its charitable purposes for the public benefit in a number of ways:

- ◆ the sisters resident at St Mary's provide the ethos and the spiritual care whilst living amongst the residents;
- ◆ the trustees give freely of their time and expertise without payment;

Report of the trustees (incorporating a strategic report) 31 March 2018

Objectives, activities and other relevant policies (continued)

Public benefit (continued)

- ◆ charitable status combined with the high regard and affection in which the Home is held, ensure the continued support of a host of volunteers. This support comes in the form of the donation of both time and money. The wide range of activities and outings enjoyed by the residents could not be provided without the considerable support of volunteers who give freely of their time. Such activities are an important contributor to the air of vitality at St Mary's;
- ◆ the work which is carried out by volunteers, the sisters and trustees at no cost, coupled with the fact that as a charity there is no requirement for a commercial return on capital employed, enables the Home to operate with a much lower cost base than a commercial undertaking, resulting in the lower fee rates for residents to which reference has already been made.

Investment policy

The charity's investments are managed by Investec Wealth & Investment Limited, professional investment managers. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. It takes into account the charity's income requirements for the year, the risk profile and the investment managers' view of the market prospects in the medium term.

The investment objective is to achieve a balanced return between income and capital growth within a moderate risk profile. The trustees also have an ethical policy which precludes investment in any company, which after reasonable enquiry, clearly generates significant profits from an activity which is contrary to the objectives of the Anglican Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees every sixth months when the trustees or a representative meets with the investment managers.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT

Achievements and performance

St Mary's has had a busy year with nearly 100% occupancy for 12 months. The Home continues to have a long waiting list and everyone visiting at the monthly show-round sessions comments on the homely and friendly atmosphere.

The Home runs as an extended Christian family, where residents, their families and friends are all welcome in the Home, which has an open visiting policy and offers hospitality at all times. Residents are supported so that they may live as normal a life as possible, enabling them to be "up and about" and enjoying some meaningful activities during the day. This is facilitated by specialist mobility equipment funded from donations, which means no residents are bedbound. The Home runs a holiday week each year, when the staff focus is on ensuring the residents have an opportunity to do different activities and events. There is a full activity programme every week, with more individual activities facilitated by the Activities Team.

The chapel is the focal point of St Mary's, and although residents do not have to be religious to come to the Home, many residents choose it because they wish to continue to attend a weekly church service. Mass is celebrated every day and the sisters attend offices of Morning Prayer, Mid-day Office, Vespers and Compline and are often joined at these by some residents and/or visitors.

The Home is able to offer some bed and breakfast accommodation to visiting family and friends. This has been of benefit to residents whose relatives live some distance from the Home.

The Home has many staff who have worked at St Mary's for several years and the Home actively supports staff to gain Health and Social Care Qualifications at levels 2, 3 and 5. Over the year, the Home has been fully staffed and has not used agency staff. Two regular bank nurses have joined the team.

The Home has a good working relationship with the Palliative Care Team at Meadow House Hospice and aims to provide residents with end of life care at the Home. All were supported to the end of their lives at St Mary's. Families and friends were able to continue to visit them here and also received support from the regular and consistent staff team.

Quality Management is of paramount importance and during the year the Home employed a full-time Quality Manager and uses the Quality Compliance System to audit compliance with the Fundamental Standards. (Care Act 2014, Health & Social Care Act 2008). A part-time administrator has been appointed to co-ordinate quality data collection amongst other duties.

The Home operates in a highly regulated sector and is subject to unannounced inspections by the Care Quality Commission (CQC) to ensure that statutory fundamental standards for Care Homes are met. The Home was inspected in April 2017 and was rated "Good" in the report published in June 2017 with Care rated as "Outstanding". A full copy of the report can be found at www.cqc.org.uk.

STRATEGIC REPORT (continued)

Risk management

The trustees undertake an annual review of the principal risks and uncertainties that the charity faces categorising the risks between those affecting the governance and management of the charity, operational risks, financial risks, reputational risks and those which occur because of circumstances outside of the charity's control such as changes in government policy, laws and regulations. They regularly review the measures already in place, or needing to be put in place, to establish policies, systems and procedures to mitigate those risks identified in the annual review and ensure that action is taken to implement changes to those policies, systems and procedures should they be needed to minimise or manage any potential impact on the charity should those risks materialise.

Having assessed the major risks to which the charity is exposed, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Operationally the charity works with vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that staff and volunteers must obtain clearance from the Disclosure and Barring Service (DBS). In addition, the trustees have established systems of on-going safeguarding training; to update internal policies; and to ensure staff and volunteers are kept informed about good practice in work.
- ◆ St Mary's operates in a highly regulated field of activity and as such is subject to regular inspection by a number of agencies. The result of this degree of scrutiny is that operational risk policies are very well developed in the areas of quality of service, health and safety of residents and employees and employment issues. The Matron and the trustees with experience of running health care organisations advise the trustees of the myriad of clinical, care and other risks associated with the operation of the care home including, for example, safeguarding (see above); the chronic shortage of qualified nurses and care assistants; the impact of the planned changes in the provision of care funding with effect from April 2020 as a result of the Care Act 2014; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by a reputable investment manager who adheres to a policy agreed by the trustees. The trustees meet twice a year with the investment manager and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT (continued)

Fundraising policy

St Mary's aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. St Mary's manages its own fundraising activities and does not employ the services of professional fundraisers. St Mary's undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Financial review

Income amounted to £3,528,176 (2017 - £3,189,606). Of this amount £3,193,388 (2017 - £2,883,010) arose from nursing and residential home fees. Voluntary income for the year amounted to £191,192 (2017 - £198,235).

Expenditure during the year amounted to £3,336,191 (2017 - £3,009,805). Costs in relation to the provision of residential and nursing care totalled £3,328,158 compared to £3,002,551 in 2017.

Net income before realised and unrealised investment losses amounted to £191,985 (2017 - net income before realised and unrealised investment gains of £179,801). The fees paid by local authorities are significantly below the economic costs of care. Without the support of those giving donations and bequeathing legacies and without income arising from investments, expenditure and related investment management fees would have exceeded income by £92,021 (2017 - £95,569).

Total net realised and unrealised investment losses were £7,373 (2017 - gains of £386,686) and the net income for the year, therefore, amounted to £184,612 (2017 - £566,487).

Donations

The trustees wish to record their grateful thanks to all donors whose generosity has enabled the work of St Mary's to continue.

Investment performance

As previously stated, the charity's investments are managed by Investec Wealth & Investment Limited. At 31 March 2018 the investments had a market value of £3,507,847 including cash awaiting investment of £134,168.

During the year, the total return achieved on the investment portfolio was 3.0% (2017 - 17.5%). The drop is as a result of the volatile investment market over the period. The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report and in compliance with the ethical guidelines given to them. Further details of the investment portfolio are included in note 11 to the attached accounts. Despite the drop in performance, the trustees continue to take a long term view and believe their investment policy continues to be applied and remains appropriate.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The trustees have examined the requirement for free reserves ie those unrestricted funds not invested in tangible fixed assets, or otherwise committed. Given the nature of the work undertaken by St Mary's, and to take into account the current inadequacy of Government funding for residents in nursing homes without private means, it is considered that the level of free reserves should be approximately equal to six month's budgeted operating expenditure.

The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to falls in occupancy levels and difficulties in recruiting qualified nursing staff and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

The balance sheet shows total reserves of £7,753,599.

The tangible fixed assets fund totals £3,995,443 and is represented by the tangible fixed assets used to support the work of the charity. As the fees paid by local authorities in no way meet the cost of providing care, an amount of £900,000 continues to be designated by the trustees to generate income towards meeting some of that shortfall. A further amount of £1,100,000 continues to be set aside by the trustees as a building maintenance and improvement fund.

Funds available to support the work of the charity in the future are shown as general funds on the balance sheet and amount to £1,758,156. This figure needs to be considered in the light of annual budgeted expenditure on operating St Mary's of slightly in excess of £3 million, the increasing age profile of the sisters and the need for the charity to employ more paid staff in the future as a result of the increasing regulatory requirements on care homes. The trustees are of the opinion that the free reserves are adequate but not excessive, given that they are consistent with the amount required by the above policy.

Plans for future periods

The trustees do not anticipate any significant change to the charity or its activities over the next two to five years. It is their intention to continue to meet the charity's objectives and focus on providing an excellent service for its residents.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT (continued)

Structure, governance and management

Members

The voting members of the Chapter of Saint Margaret's Convent (Chiswick) are the only members of the charitable company.

The liability of the members is limited. Every member promises, if the charity is dissolved while she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a member.

Governing document

St Mary's Convent and Nursing Home (Chiswick) is an incorporated charitable company constituted as a company limited by guarantee, Company Registration Number 03959483 (England and Wales), incorporated on 24 March 2000 and which was registered as a charity, Charity Registration Number 1080751, on 16 May 2000. It was established under a memorandum of association which defined its objects and powers and is governed by its articles of association.

Trustees

The following trustees were in office at the date on which this report was approved and served during the year as shown:

Trustee

Miss Catherine Mary Allen (Sister Mary Clare SSM)
Miss Cynthia Boreham (Sister Cynthia Clare SSM)
Miss Jennifer Goodeve (Sister Jennifer Anne SSM)
Miss Pamela Groombridge (Sister Mary Paul SSM)
Mr J B Randle
Mr R I Turner
Sir Graham Morgan
Mr C M Mackay

The trustees are ultimately responsible for the policies, activities and assets of the charitable company. The trustees meet four times a year and are responsible for the strategic direction and policy of St Mary's. At each meeting the trustees consider the key measures of operational and financial performance with the assistance of the appropriate members of the management team. When necessary, the trustees seek advice and support from the charitable company's professional advisers including investment managers, solicitors and accountants.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT (continued)

Structure, governance and management (continued)

Trustees (continued)

Brief details about each of the trustees are given below:

Sister Mary Clare SSM

Sister Mary Clare was elected as the Assistant Superior on 2 March 2015 and appointed to the board on 16 April 2015

Sister Cynthia Clare SSM

Sister Cynthia was Reverend Mother Superior until 2 March 2015 and was an ex officio member of the board until 16 April 2015

Sister Jennifer Anne SSM

Sister Jennifer has been Sister Superior at St Mary's since the 1980s and was elected Reverend Mother Superior on 2 March 2015. She is an ex-officio member of the board and chairs the board meetings. She manages the Home on a day to day basis, in conjunction with Elizabeth Smith (a Registered General Nurse and the registered manager of the Home for regulatory purposes).

Sister Mary Paul SSM

Sister Mary Paul is also an elected member of the board and was the Assistant Superior at Saint Margaret's Convent until 2 March 2015.

Mr John Randle

John Randle has spent his career in hospital management consultancy internationally. He was the founder of the charity formerly known as Hospital Management Trust (HMT) in 1985 and ran it until retiring in 2013. HMT was established to assist charities and not-for-profit organisations working in the healthcare sector. He has been a member of the board of St Mary's for many years.

Mr Ian Turner

Ian Turner was a director and company secretary of Fuller, Smith & Turner plc which is a near neighbour and generous supporter of the charity. He is a Chartered Accountant by training.

Sir Graham Morgan

Father Graham is an Assistant Priest at St Michael & All Angels Church in Chiswick. He frequently conducts services in the chapel at St Mary's. He worked in the NHS for many years and was executive director of nursing and quality at North West London Hospitals NHS Trust. He was awarded a knighthood for his services to healthcare in 2003.

Mr Colin Mackay

Colin Mackay was elected a trustee in 2013. His initial involvement with the work of the charity was when a close relative was a resident in the nursing home. He has a background in accountancy and finance.

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT *(continued)*

Structure, governance and management *(continued)*

Recruitment and appointment of trustees

The articles of association require that there shall be at least five and not more than eight trustees.

The Reverend Mother of Saint Margaret's Convent (currently Sister Jennifer Anne SSM) is appointed as an ex-officio trustee. The remaining trustees are elected and one-third (or the number nearest one-third) must retire at each annual general meeting and, if eligible and willing to do so, offer themselves for re-election.

The trustees have great expertise and experience in a wide range of business, medical and care disciplines. Individuals with appropriate skills, ability and time are approached to offer themselves for election to the board of trustees.

Trustee induction and training

Prospective trustees are invited to meet existing trustees and the senior management at St Mary's and to see first-hand the work of St Mary's and its general atmosphere. They are provided with relevant documents relating to the governance of the charity and the latest financial statements and management accounts. The information and advice available from the Charity Commission is also made available to any prospective trustee who does not have previous experience of the duties and responsibilities placed on a charity trustee.

Organisational structure

The day to day running of St Mary's is overseen by Sister Jennifer Anne SSM, who is designated as the responsible person for statutory purposes, and Elizabeth Smith, who is the registered manager and matron.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for the year. In preparing those financial statements the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and accounting estimates that are reasonable and prudent;

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT (continued)

Structure, governance and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as that trustee is aware there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ that the trustee has taken all the steps that he/she ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with S418 of the Companies Act 2006.

Related parties

The voting members of the Chapter of Saint Margaret's Convent (Chiswick) are the only members of the charitable company. As such Saint Margaret's Convent (Chiswick) is regarded as the charity's parent undertaking. The sisters who are members of the board of trustees of St Mary's Convent and Nursing Home (Chiswick) are also voting members of the Chapter of Saint Margaret's Convent (Chiswick) and trustees of that charity.

The freehold of the premises from which the Home operates is owned by Saint Margaret's Convent (Chiswick). The charity occupies the premises under the terms of a long lease at an annual peppercorn rent.

Key management personnel

The trustees (who include the Reverend Mother who is also the Responsible Person and Chief Executive) consider that they together with the Registered Manager/Matron of the Home comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the trustees, including lay trustees, received any remuneration or reimbursement of expenses during the year (2017 – none).

Report of the trustees (incorporating a strategic report) 31 March 2018

STRATEGIC REPORT

Structure, governance and management (continued)

Key management personnel (continued)

Certain of the trustees are members of the Anglican Religious Community, St Margaret's Convent (Chiswick) and live at the Home. In accordance with their vows of poverty the sisters are provided with board, lodgings, travelling and personal expenses. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home.

The pay of the Registered Manager/Matron of the Home is reviewed annually by the trustees. Her pay generally is increased in line with average earnings within St Mary's.

Employees, volunteers and members

The trustees wish to record their recognition of the professionalism and commitment of all their staff and volunteers. Their dedication and positive approach is very much appreciated.

Report of the trustees (including the strategic report) approved by the trustees and signed on their behalf by:



Trustee

(JENNIFER ANNE GOODEVE)

Approved by the trustees on: 20 November 2018

St Mary's Convent and Nursing Home (Chiswick)

Registered Company Number: 03959483 (England and Wales)

Independent auditor's report 31 March 2018

Independent auditor's report to the members of St Mary's Convent and Nursing Home (Chiswick)

Opinion

We have audited the financial statements of St Mary's Convent and Nursing Home (Chiswick) (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report 31 March 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report incorporating the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report incorporating the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report incorporating the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent auditor's report 31 March 2018

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 November 2018

Statement of financial activities Year to 31 March 2018

	Notes	2018 Total funds £	2017 Total funds £
Income and expenditure			
Income from:			
Donations and legacies*	1	191,192	190,880
Investment income and interest receivable	2	100,847	84,389
Charitable activities			
Nursing and residential home fees and other charges	3	3,193,388	2,883,010
Other sources	4	42,749	31,327
Total income		3,528,176	3,189,606
Expenditure on:			
Raising funds		8,033	7,254
Charitable activities			
Provision of nursing and residential care**	5	3,328,158	3,002,551
Total expenditure		3,336,191	3,009,805
Net income before (losses) gains arising from investment revaluation and disposals			
		191,985	179,801
Net (losses) gains on investments		(7,373)	386,686
Net income and net movement in funds for the year	7	184,612	566,487
Reconciliation of funds			
Fund balances brought forward at 1 April 2017		7,568,987	7,002,500
Fund balances carried forward at 31 March 2018		7,753,599	7,568,987

All recognised gains and losses are included in the statement of financial activities.

All of the charitable company's activities derived from continuing operations during the above two financial periods.

*Donations in the year to 31 March 2018 include £22,378 (2017 - £47,674) for restricted purposes. Further details of these are given in note 1 to the accounts.

**Provision of nursing and residential care includes £800 (2017 - £nil) in relation to expenditure met from restricted funds.

Balance sheet 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	10		3,995,443		3,954,559
Investments	11		3,507,847		3,024,179
			<u>7,503,290</u>		<u>6,978,738</u>
Current assets					
Debtors	12	103,414		103,798	
Cash at bank and in hand		<u>375,876</u>		<u>700,327</u>	
		479,290		804,125	
Liabilities					
Creditors: amounts falling due within one year	13	(228,981)		(213,876)	
Net current assets			250,309		590,249
Total net assets			<u>7,753,599</u>		<u>7,568,987</u>
Represented by:					
Funds and reserves					
Income funds					
Unrestricted funds					
. Designated funds	14		2,000,000		2,000,000
. Tangible fixed assets fund	15		3,995,443		3,954,559
. General funds			<u>1,758,156</u>		<u>1,614,428</u>
			<u>7,753,599</u>		<u>7,568,987</u>

Approved by the trustees and signed on their behalf by:



Trustee

(JENNIFER ANNE GOODEVE)

Approved by the trustees on 20 November 2018

St Mary's Convent and Nursing Home (Chiswick)

Registered Company Number: 03959483 (England and Wales)

Statement of cash flows Year to 31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	283,162	482,494
Cash flows from investing activities:			
Investment income and interest received		96,394	83,241
Purchase of tangible fixed assets		(212,966)	(491,039)
Proceeds from the disposal of investments		238,544	457,199
Purchase of investments		(708,028)	(531,687)
Net cash used in investing activities		(586,056)	(482,286)
Change in cash and cash equivalents in the year		(302,894)	208
Cash and cash equivalents at 1 April 2017	B	812,938	812,730
Cash and cash equivalents at 31 March 2018	B	510,044	812,938

Notes to the statement of cash flows for the year to 31 March 2018.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	184,612	566,487
Adjustments for:		
Depreciation charge	195,782	176,703
Losses (gains) on investments	7,373	(386,686)
Investment income and interest receivable	(100,847)	(84,389)
Decrease in debtors	4,837	214,836
Decrease in creditors	(8,595)	(4,457)
Net cash provided by operating activities	283,162	482,494

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	375,876	700,327
Cash held by investment managers	134,168	112,611
Total cash and cash equivalents	510,044	812,938

Principal accounting policies Year to 31 March 2018

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2018 with comparative information given in respect to the year to 31 March 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ assessing the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ assessing the recoverability of any debts for residential and care home fees and the need for a provision against doubtful or bad debts;
- ◆ determining the assumptions adopted by the trustees and management in determining the value of any designations required from the charitable company's general unrestricted funds; and
- ◆ determining the probability of the receipt of legacies which are measurable and to which the charitable company is entitled.

Principal accounting policies Year to 31 March 2018

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due.

With regard to the next accounting period, the year ending 31 March 2019, the most significant issues that may affect the carrying value of the assets held by the charity are:

Income recognition

Income is recognised in the period in which the charitable company has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, investment income, interest receivable, fees and related charges in respect to residential and nursing care provision and income from other sources including the surplus on the disposal of tangible fixed assets.

Donations are recognised when the charitable company has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102, no value has been placed on administrative and other services provided by the members of Saint Margaret's Convent (Chiswick) and other volunteers.

Legacies are included in the statement of financial activities when the charitable company is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charitable company.

Entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charitable company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution.

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

Principal accounting policies Year to 31 March 2018

Income recognition (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Fees and related charges in respect to the provision of residential and nursing care are measured at fair value of the consideration received or receivable being the invoiced amount excluding discounts and rebates. Provision is made against any amount deemed irrecoverable or where the debt is doubtful.

Income from other sources is measured at fair value and accounted for on an accruals basis.

Income from other sources includes contributions received from relatives staying overnight at the Home when visiting residents and rental income from staff. The income is recognised when receivable (being the date on which the accommodation was used) and when the charitable company has both confirmation of the amount and where receipt is considered probable.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. Support costs, including governance costs, are allocated to expenditure on the provision of nursing and residential care. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities comprises expenditure on the charitable company's primary charitable purpose i.e. the provision of residential and nursing care facilities for the elderly at the Home

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charitable company it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charitable company (including audit costs) and costs in respect to its compliance with regulation and good practice.

Principal accounting policies Year to 31 March 2018

Support and governance costs (continued)

All expenditure on support and governance is attributed directly to the provision of nursing and residential care. Hence, there has been no apportionment between expenditure headings.

Tangible fixed assets and depreciation

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation.

◆ Leasehold improvements

Leasehold improvements represent expenditure incurred by St Mary's Convent and Nursing Home on the premises from which it operates. The freehold of this property is held by Saint Margaret's Convent (Chiswick), the charitable company's parent undertaking. The premises are occupied by the charitable company under the terms of a long lease at an annual peppercorn rent. Depreciation is charged on leasehold improvements at 2% per annum.

◆ Fixtures and fittings and motor vehicles

Fixtures and fittings and motor vehicles are capitalised and depreciated at the following rates per annum based on cost in order to write off each asset over their useful economic life:

◆ Fixtures and fittings	10-20% per annum
◆ Motor vehicles	20% per annum.

Fixed asset investments

Listed investments are a form of basic financial instrument and 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 charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Principal accounting policies Year to 31 March 2018

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The funds of the charitable company are unrestricted and therefore are available for use in furtherance of the charitable company's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are amounts which the trustees have designated for specific purposes and amounts representing tangible fixed assets. Details of these are provided in notes 14 and 15 respectively.

Pensions

The charitable company offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

Notes to the financial statements Year to 31 March 2018

1 Donations and legacies

	2018 Total funds £	2017 Total funds £
Donations from Saint Margaret's Convent (Chiswick)	13,000	40,000
Contributions from Saint Margaret's Convent (Chiswick) towards the living and personal expenses of the sisters	62,400	62,400
Other donations*	78,792	63,528
Legacies	37,000	24,952
	191,192	190,880

*Included within other donations in 2018 are donations of £21,578 received to contribute towards the purchase of a mini bus to help with transport of the residents and £800 in relation to other nursing home costs.

During 2017, the donation of £40,000 from St Margaret's Convent (Chiswick), the parent undertaking, was to contribute towards the cost of fire alarm installation. In addition, during 2017 other donations included a donation of £7,674 from St Peter's Home and Sisterhood to purchase a Maxi Move hoist to help with the everyday life of residents.

All donations have been used within each year for the purposes for which they were given.

Further details of expenditure relating to the restricted donations received in 2018 are given in notes 5 and 10 to the financial statements.

2 Investment income and interest receivable

	2018 Total funds £	2017 Total funds £
Listed investments:		
· UK fixed interest	6,323	6,866
· UK equities (including property)	80,997	63,467
· Overseas equities	5,894	6,990
· Overseas fixed interest	7,493	5,274
	100,707	82,597
Deposit interest	140	1,792
	100,847	84,389

3 Nursing and residential home fees and other charges

	2018 Total funds £	2017 Total funds £
Gross fees	3,258,018	2,920,806
Less: subsidies and discounts	(64,630)	(37,796)
	3,193,388	2,883,010

Subsidies and discounts arise in respect of those residents reliant on local authority or NHS funds where the fees paid fall short of the standard fees charged by the Home.

Notes to the financial statements Year to 31 March 2018

4 Other income

	2018 Total funds £	2017 Total funds £
Contributions from relatives towards overnight accommodation and related income	17,838	14,290
Rent paid by staff	13,459	9,682
Fundraising income	11,542	7,355
	42,749	23,972

5 Provision of nursing and residential care

	2018 Total funds £	2017 Total funds £
Direct care costs		
. Staff costs (including training 2018: £21,570; 2017: £17,937)	1,969,235	1,707,495
. Medical costs	57,925	56,911
Accommodation costs and overheads		
. Staff costs (kitchen and domestic)	350,846	371,207
. Provisions	146,002	132,584
. Depreciation	195,782	176,703
. Property and equipment repairs and maintenance	253,833	257,914
. Rates, insurance, gas and electricity	102,855	96,021
. Residents' welfare and chapel	12,254	10,424
Support costs		
. Administration salaries	91,334	62,930
. Recruitment costs	16,870	12,689
. Printing, postage, stationery and telephone costs	28,080	23,092
. Car and travel expenses	10,280	9,744
. Professional fees (including governance costs (note 6))	58,948	51,730
. Other costs*	33,914	33,107
	3,328,158	3,002,551

*Other costs include expenditure from restricted funds of £800 (2017: £nil).

6 Governance costs

	2018 £	2017 £
Audit fees	11,580	11,220

Notes to the financial statements Year to 31 March 2018

7 Net income before gains (losses) arising from investment revaluation and disposals

This is stated after charging

	2018 £	2017 £
Staff costs (note 8)	2,389,846	2,123,695
Depreciation	195,782	176,703
Auditor's remuneration (including VAT)		
. Audit fees	11,580	11,220
. Other general advisory services		
.. This year	11,080	8,635
.. Prior year	31	(2,069)
. Taxation advisory services	168	—

8 Staff costs and numbers and key management personnel

	2018 £	2017 £
Salaries and wages	2,190,754	1,928,251
Social security costs	178,455	177,431
Pension costs	20,637	18,013
	2,389,846	2,123,695

One employee earned £60,000 - £70,000 per annum (including taxable benefits but excluding employer's pension contributions) during the year (2017 - none).

The average and full time equivalent number of employees during the year was as follows:

	2018		2017	
	Full time equivalent	Average	Full time equivalent	Average
Nursing and residential care staff	81	117	73	107
Management and administration	3	4	2	2
	84	121	75	109

The trustees (who include the Reverend Mother who is also the Responsible Person and Chief Executive) consider that they, together with the Registered Manager/Matron of the Home, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the trustees, including lay trustees, received any remuneration or reimbursement of expenses during the year (2017 – none).

Certain of the trustees are also members of Saint Margaret's Convent (Chiswick) and reside within the premises occupied by St Mary's Convent and Nursing Home (Chiswick). In accordance with their vows of poverty these sisters are provided with board, lodging, travelling and personal expenses. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home.

The total remuneration (including taxable benefits and employers pension contributions) of the Registered Manager/Matron for the year was £67,754 (2017 - £63,034).

Notes to the financial statements Year to 31 March 2018

9 Taxation

St Mary's Convent and Nursing Home (Chiswick) is a registered charitable company and, therefore, is not liable on income and gains derived from its charitable activities as they fall within the exemptions available to registered charities.

10 Tangible fixed assets

	Leasehold improve- ments £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2017	4,318,311	920,094	53,428	5,291,833
Additions	121,826	79,315	35,525	236,666
Disposals	—	(84,786)	—	(84,786)
At 31 March 2018	4,440,137	914,623	88,953	5,443,713
Depreciation				
At 1 April 2017	828,910	472,811	35,553	1,337,274
Charge for the year	96,022	94,845	4,915	195,782
Eliminated on disposals	—	(84,786)	—	(84,786)
At 31 March 2018	924,932	482,870	40,468	1,448,270
Net book values				
At 31 March 2018	3,515,205	431,753	48,485	3,995,443
At 31 March 2017	3,489,401	447,283	17,875	3,954,559

Leasehold improvements represent expenditure on the premises from which St Mary's Convent and Nursing Home (Chiswick) operates. The freehold of this property is held by Saint Margaret's Convent (Chiswick), the charitable company's parent undertaking (note 17). The charitable company occupies the premises at an annual peppercorn rent.

Restricted donations of £21,578 were used to help fund the new mini bus which cost £35,525.

At 31 March 2018 the charitable company had the following capital commitments:

	2018 £	2017 £
Contracted but not provided for	200,000	—

The above commitments are in respect to the estimated contractors' costs for the works to the roof and the boiler at the Home. These works will be financed from a £200,000 donation received in May 2018 from the charitable company's parent undertaking, Saint Margaret's Convent (Chiswick).

Notes to the financial statements Year to 31 March 2018

11 Investments

	2018 £	2017 £
Listed investments		
Market value at 1 April 2017	2,911,568	2,450,394
Additions at cost	708,028	531,687
Disposals (proceeds: £238,544; realised losses £2,589)	(241,133)	(440,335)
Net unrealised investment (losses) gains	(4,784)	369,822
Market value at 31 March 2018	3,373,679	2,911,568
Cash held by investment managers for reinvestment	134,168	112,611
	3,507,847	3,024,179
Historical cost of listed investments	2,935,209	2,443,289

Listed investments held at 31 March 2018 comprised the following:

	2018 £	2017 £
UK listed investments		
. Fixed interest	231,869	185,188
. Equities	2,144,751	1,873,829
Overseas listed investments		
. Fixed interest	154,243	723,472
. Equities	842,816	129,079
	3,373,679	2,911,568

All listed investments were dealt in on a recognised stock exchange. At 31 March 2018 listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation as at that date.

	Market value of holding £	Percentage of portfolio %
Charities Property Fund (Income units)	211,291	6.26
CCLA – COIF Charity Property Fund (Income units)	205,266	6.08

12 Debtors

	2018 £	2017 £
Nursing and residential care fees	36,399	44,239
Donations and legacies receivable	1,000	2,580
Accrued income	26,408	21,955
Prepayments	37,557	32,924
Other debtors	2,050	2,100
	103,414	103,798

Notes to the financial statements Year to 31 March 2018

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Expense creditors	51,471	34,056
Fees received in advance	11,137	28,686
Capital expenditure creditors	31,825	8,125
Taxation and social security costs	42,855	35,404
Accruals and other creditors	91,693	107,605
	228,981	213,876

14 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 April 2017 £	New designations £	Utilised/ released £	At 31 March 2018 £
Residential and nursing care fund	900,000	27,000	(27,000)	900,000
Building maintenance and improvement fund	1,100,000	33,000	(33,000)	1,100,000
	2,000,000	60,000	(60,000)	2,000,000

The residential and nursing care fund comprises monies set aside to generate income towards meeting some of the shortfall in the fees paid by local authorities towards the cost of providing care. Income generated from the funds invested is added to the fund and withdrawn to the extent that it is needed to meet any shortfall.

The building maintenance and improvement fund represents monies set aside by the trustees to generate income towards the cost of maintaining the buildings to a standard appropriate to meet the needs of the residents and the sisters.

15 Tangible fixed assets fund

	2017 Total funds £	2016 Total funds £
At 1 April 2017	3,954,559	3,706,098
Designated during the year	40,884	248,461
At 31 March 2018	3,995,443	3,954,559

The tangible fixed assets fund represents the net book value of St Mary's tangible fixed assets. A decision was made to separate this fund from the general fund of the Home in recognition of the fact that the tangible fixed assets are essential to the day to day work of St Mary's. The value represented by such assets, therefore, should not be regarded as realisable with ease, in order to meet future contingencies.

Notes to the financial statements Year to 31 March 2018

16 Analysis of assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Total 2018 £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	—	3,995,443	—	3,995,443
Investments	1,507,847	—	2,000,000	3,507,847
Current assets	479,290	—	—	479,290
Creditors: amounts falling due within one year	(228,981)	—	—	(228,981)
Total net assets	1,758,156	3,995,443	2,000,000	7,753,599

	2018 £	2017 £
Unrealised gains included above:		
On investment assets	438,470	468,279
Reconciliation of movements on unrealised gains on investment assets		
Unrealised gains at 1 April 2017	468,279	128,817
Less: Unrealised losses arising in the year	(4,784)	369,822
Less: in respect of disposals in year	(25,025)	(30,360)
Unrealised gains at 31 March 2018	438,470	468,279

17 Parent undertaking and related party transactions

The voting members of the Chapter of Saint Margaret's Convent are the company members of St Mary's Convent and Nursing Home (Chiswick). Accordingly Saint Margaret's Convent (Chiswick), an unincorporated charity (Charity Registration Number 231926), is regarded as the parent undertaking of St Mary's Convent and Nursing Home (Chiswick).

A number of the trustees are members of Saint Margaret's Convent (Chiswick) and reside within the premises occupied by St Mary's Convent and Nursing Home (Chiswick). In accordance with their vows of poverty the sisters are provided with board, lodgings, travelling and personal expenses. Until September 2014, pensions received by the sisters were donated to the charitable company. Since then, Saint Margaret's Convent (Chiswick) donates monies to the charitable company towards the living and personal expenses of the sisters. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home. If the work performed by the Reverend Mother as Chief Executive had to be carried out by lay employees the cost would approach £100,000 per annum.

The charitable company has taken advantage of the exemption given by FRS 102 and, therefore, has not given details of transactions with its parent undertaking. The exemption has been taken because the consolidated accounts of the parent undertaking, Saint Margaret's Convent (Chiswick), which includes St Mary's Convent and Nursing Home, have been prepared and are available from the Charity Commission website.

Notes to the financial statements Year to 31 March 2018

18 Liability of the members

The liability of the members is limited. Every member promises, if the charitable company is dissolved while she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.