

St. Mary's Kenmure
Report and Financial Statements
Year Ended 31 March 2018
Charity No: SC029984
Company No: SC390523

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St. Mary's Kenmure

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St. Mary's Kenmure

Reference and Administrative Information **Year Ended 31 March 2018**

Board of Managers:

Angus Gillon, Chairman
Rt Rev.Mgr. Peter Canon Smith
Joseph Farrell
Margaret Greig (resigned October 2017)
Martin Cullen
Anthony Miller
Brian Tierney
Gerard McGinty (appointed May 2017)
Catherine McMorris (appointed May 2018)

Senior Management:

James Crawford - Head of Services (until June 2017)
Carol Dearie - Head of Services (from July 2017)
William McKeown - Depute Head of Service Care
Gerry Sullivan - Depute Head of Service Education

Scottish Charity Number:

SC029984

Registered Company Number:

SC390523

Registered Office:

C/o McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Principal Business Address:

St. Mary's Road
Bishopbriggs
Glasgow
G64 2EH

Solicitors:

McSparran McCormick
Solicitors
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Auditors:

John Di Mambro & Co.
Chartered Accountants
Statutory Auditors
16 Muir Street
Hamilton
ML3 6EP

Principal Bankers:

Clydesdale Bank plc.
Business Banking Centre
Suite 2 Ochil House
Springkerse Business Park
Stirling FK7 7XE

St. Mary's Kenmure

Report of the Trustees Year Ended 31 March 2018

The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2018.

Reference and Administration information

The Board of Managers, who are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity law, who served throughout the year and up to the date of this report are listed on page 1, together with particulars of the principal address of the charity and details of its professional advisers.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee. The charitable company was formed under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

In accordance with the Articles of Association the first Trustees of the charitable company shall be those persons appointed as the first directors on incorporation of the charitable company. Subsequent appointments shall be made as follows:

- (a) There must be at least three Trustees at all times. The Board of Managers shall comprise the Officers and not more than ten other Trustees.
- (b) No person may be appointed as a Trustee unless he has been approved in advance by the Ecclesiastical Superior for the time being of the Roman Catholic Archdiocese of Glasgow (The Superior).
- (c) The Chairperson shall be directly appointed by decision of the Superior for a term of three years.
- (d) The other Trustees shall be appointed by decision of the Trustees for a term of three years.

At the end of a term of office a willing Trustee who remains eligible under the law to act as a charity trustee and company director may be re-appointed to another term.

Trustee Induction and Training

New trustees attend a short induction and training session where they are briefed on the content of the Constitution, the decision making process, the business plan and recent financial performance of the charity.

Organisational Structure

The Board of Managers meet regularly throughout the year to administer the charity. A Head of Service is appointed by the managers to manage the day to day operations of the secure unit. The Head has delegated authority, as approved by the managers, for all operational matters and project related activity within the unit.

Risk Management

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Internal control risks are minimised by the implementation of procedures for the authorisation of all transactions. The finance sub-committee discuss any external risks to funding, decide on appropriate action to minimise risks, and develop a strategic plan.

St. Mary's Kenmure

Report of the Trustees Year Ended 31 March 2018

Structure, Governance and Management (cont.)

Related Parties

St. Mary's Kenmure is one of four specialist organisations affiliated with Cora Foundation. The others are St. Philip's Plains, The Good Shepherd Centre Bishopton and The Good Shepherd Close Support Unit Bishopton. Cora Foundation was established by the Bishop's Conference of the Roman Catholic Hierarchy in Scotland as the organisation within which a number of social care and specialist educational projects could operate and develop strategically. Cora Foundation promotes the operation of the residential schools, secure units and special needs units, administering funds on their behalf.

St. Mary's Kenmure also works closely with Stepdown which was established to provide care and support services for children moving from secure units back into society.

Objectives and Activities

The objects of the charity are to provide secure care and education for young people who are experiencing social, emotional and behavioural difficulties.

The charity meets its objectives by:

- the operation of a secure unit and special needs unit with a view to affecting their mental, physical and moral welfare and, as far as possible, to encourage them to take their place as responsible citizens of the community; and
- promoting the provision of additional childcare and educational facilities to disseminate experiences, information and treatments.

Strategic Report

Achievements and Performance

St Mary's Kenmure continue to develop a healthy place within the Secure Care Estate in Scotland. We provide a co-educational service for young people aged between 11 and 18 years of age. St Mary's Kenmure is part of the 'Secure Care Framework' with the procurement role managed by 'Scotland Excel'. Contractual agreements with Scotland Excel can, if required, be reviewed on a yearly basis.

The service continues to respond increasingly and consistently to the requests of Local Authorities who are keen to place their young people at St Mary's Kenmure. This has been evidenced throughout the whole of last year i.e. in an increase in our overall capacity numbers as well as longer-term placements.

We have also managed to achieve many of the goals that we set out to accomplish over the last year. These include,

- continuing program of refurbishment of our House Units,
- creation of our in-house cinema
- phased revamp of our CCTV equipment, including replacement of cameras and increased data storage
- complete overhaul of our smoke detection system,
- continued drive to harness the skills of external specialist services
- confirming an array of new posts including HR manager - Service Manager – Health and Wellbeing Co-ordinator and Quality Improvement Lead Role.

To conclude, despite the many successes of the our year in terms of our performance and achievements, we fully intend to continue on our positive journey to improve our service for young people and staff team at St Mary's Kenmure. Early indications would suggest that we are well on target in terms of achieving our next steps in our new strategic development.

**Report of the Trustees
Year Ended 31 March 2018**

Financial review

The main source of income is by way of service income received from the Scottish Executive and the Local Authorities. Total incoming resources for the year were £7.19 million (2017: £6.89 million). Resources expended were £6.92 million (2017: £6.67 million). Net incoming resources before actuarial gains or losses were £272,681 (2017: £216,499).

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately six months unrestricted expenditure. This would be approximately £3.4 million. The trustees consider that this would provide sufficient funds to cover costs in the event of a significant drop in income levels or if the unit ever has to close down. Unrestricted funds, excluding fixed assets and the pension scheme deficit were £3.9 million at 31 March 2018.

Statement of Trustee's responsibilities

The trustees (who are also directors of the charity for the purposes of company law) 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

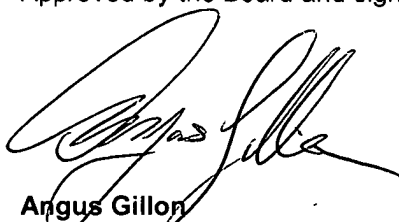
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board and signed on its behalf on 13 December 2018 by:



Angus Gillon
Chairman

St. Mary's Kenmure

Independent Auditors' Report

To the Trustees and Members of St. Mary's Kenmure

Opinion

We have audited the financial statements of St. Mary's Kenmure (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the Balance Sheet, the Statement of Cash flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' 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.

Other information

The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon. The trustees are responsible for the other information.

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.

**Independent Auditors' Report
To the Trustees and Members of St. Mary's Kenmure**

Opinion 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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustee's Responsibilities set out on page four, 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 a Report of the Auditors 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 Report of the Auditors.

St. Mary's Kenmure

Independent Auditors' Report To the Trustees and Members of St. Mary's Kenmure

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 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



John Di Mambro (Senior Statutory Auditor)

For and on behalf of
John Di Mambro & Co.
Chartered Accountants
Statutory Auditors
16 Muir Street
Hamilton ML3 6EP

Dated: 17.12.18

John Di Mambro & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

St. Mary's Kenmure

Statement of Financial Activities (Including an Income and Expenditure Account) Year Ended 31 March 2018

	Note	Unrestricted reserves £	Restricted reserves £	Total 2018 £	Total 2017 £
Income:					
<i>Income from charitable activities:</i>					
Service income		7,169,440	-	7,169,440	6,869,921
Other income	2	23,928	-	23,928	18,919
Bank interest		6	-	6	6
Total income		7,193,374	-	7,193,374	6,888,846
Expenditure:					
Charitable activities	3	6,920,693		6,920,693	6,672,347
Total expenditure		6,920,693	-	6,920,693	6,672,347
Net income / (expenditure)		272,681	-	272,681	216,499
Other recognised gains & losses					
Actuarial gains / (losses) on defined benefit pension scheme	8	3,109,000	-	3,109,000	(1,470,000)
Net movement in funds		3,381,681	-	3,381,681	(1,253,501)
Reconciliation of funds:					
Total funds brought forward		3,455,483		3,455,483	4,708,984
Total funds carried forward		6,837,164	-	6,837,164	3,455,483

The statement of financial activities includes all gains and losses recognised in the year.

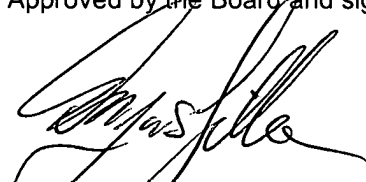
All income and expenditure derive from continuing activities.

St. Mary's Kenmure (Company Number: SC390523)

**Balance Sheet
As at 31st March 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	3,809,683	24,125
Total fixed assets		3,809,683	24,125
Long Term debtors	6	-	4,504,352
Current assets			
Debtors	6	4,680,128	3,056,559
Cash at bank and in hand		6,446	1,429
Total current assets		4,686,574	3,057,988
Liabilities			
Creditors falling due within one year	7	(707,093)	(429,982)
Net current assets		3,979,481	2,628,006
Net assets excluding pension scheme liability		7,789,164	7,156,483
Defined benefit pension scheme liability	8	(952,000)	(3,701,000)
Total net assets	9	6,837,164	3,455,483
The funds of the charity			
General funds		7,789,164	7,156,483
Pension reserve		(952,000)	(3,701,000)
Total unrestricted funds	10	6,837,164	3,455,483
Restricted income funds		-	-
Total charity funds		6,837,164	3,455,483

Approved by the Board and signed on its behalf on 13 December 2018 by:



Angus Gillon
Chairman

St. Mary's Kenmure

Statement of cash flows Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided / (used) by operating activities	1	<u>3,827,595</u>	<u>44,730</u>
Cash flows from investing activities:			
Interest received		6	6
Purchase of fixed assets		(4,079,121)	(31,688)
Net cash (used) / provided by investing activities		<u>(4,079,115)</u>	<u>(31,682)</u>
Increase / (decrease) in cash and cash equivalents in the year		(251,520)	13,048
Cash and cash equivalents at the beginning of the year		(134,406)	(147,454)
Cash and cash equivalents at the end of the year	2	<u>(385,926)</u>	<u>(134,406)</u>

Notes to the Statement of cash flows

1. Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income for the year	272,681	216,499
Depreciation charges	293,563	13,563
Interest received	(6)	(6)
Decrease in net movement in funds due to FRS17	360,000	101,000
Decrease / (increase) in debtors	2,880,783	(299,594)
Increase / (decrease) in creditors	20,574	13,268
Net cash provided / (used) by operating activities	<u>3,827,595</u>	<u>44,730</u>

2. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and on hand	6,446	1,429
Bank overdraft	(392,372)	(135,835)
Total cash and cash equivalents	<u>(385,926)</u>	<u>(134,406)</u>

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS102.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Depreciation

Depreciation is provided so as to write off the cost of fixed assets less any residual value on the following basis:

- Motor vehicles - straight-line over 3 years.

Leased assets

Rentals payable under operating leases are charged on a straight line basis over the lease term.

There are no assets held under finance leases.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of a grant.

Pensions

St. Mary's Kenmure operates two defined benefit schemes.

Strathclyde Pension Scheme

The pension liabilities and assets are recorded in line with FRS102, with a valuation undertaken by an independent actuary. FRS102 measures the value of pension assets and liabilities at the Balance Sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued and the net interest cost is used to determine the pension charge in the SOFA and are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the SOFA within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet.

Scottish Teachers Superannuation Scheme (STSS)

The STSS is a defined benefit multi-employer pension scheme. It is not possible to identify St Mary's Kenmure's share of the underlying assets and liabilities of the STSS and hence contributions to the scheme are accounted for as if they were contributions to a defined contribution scheme. Pension contributions are charged to the SOFA as incurred.

St. Mary's Kenmure

Notes to the financial statements Year Ended 31 March 2018

2. Other income

	2018 £	2017 £
Disposal of assets	-	5,500
Placements	10,640	-
Rental income	13,200	13,200
Other	88	219
	<u>23,928</u>	<u>18,919</u>

3. Charitable activities

	2018 £	2017 £
Teaching and care of children		
Teaching and care staff	4,021,951	3,729,799
Training costs	71,578	7,335
External services	39,880	30,435
Supplies and services	176,523	167,087
National inquiry	50,000	50,000
Other expenditure	38,293	35,603
	<u>4,398,225</u>	<u>4,020,259</u>
Running costs and maintenance of unit		
Kitchen and maintenance staff	271,079	261,430
Operations and control room staff	271,089	180,423
Property costs	763,364	575,026
Transport costs	10,562	12,541
St Philip's contribution	-	707,845
Springboig St John's contribution	77,947	88,699
Capital expenditure	351,564	80,092
Secure unit amortisation	-	280,000
Depreciation	293,563	13,563
	<u>2,039,168</u>	<u>2,199,619</u>
Support costs		
Administration staff	90,907	83,821
Management fees	275,615	260,791
Other administrative costs	76,031	67,110
	<u>442,553</u>	<u>411,722</u>
Governance costs		
Auditors remuneration	12,240	12,240
Official correspondents fees	28,507	28,507
	<u>40,747</u>	<u>40,747</u>
Total Charitable Activity Costs	<u><u>6,920,693</u></u>	<u><u>6,672,347</u></u>

St. Mary's Kenmure

Notes to the financial statements Year to 31 March 2018

4. Employees and Trustees

Staff numbers

The average number of employees, calculated on a head count basis, analysed by function was:

	2018 No.	2017 No.
Teaching and care	112	105
Kitchen and maintenance	17	14
Operations and control room	6	6
Administration	3	4
	<u>138</u>	<u>129</u>

Staff costs

	2018 £	2017 £
Wages and salaries	3,316,000	3,215,193
Social security costs	316,113	305,493
Pension costs	1,018,942	730,461
	<u>4,651,055</u>	<u>4,251,147</u>

The following number of employees received emoluments in excess of £60,000:

	2018 No.	2017 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1

All (2017: All) of these employees were also members of the defined benefit pension scheme.

Key Management Personnel

Key management personnel are considered to be the Senior Management Team. In the year to 31 March 2018 they received total aggregate employee benefits, including pension contributions, of £251,545 (2017: £249,560).

Trustees

Trustees received nil remuneration (2017: Nil) for their services. None of the trustees were reimbursed for travel expenses during the year (2017 – none).

St. Mary's Kenmure

Notes to the financial statements Year to 31 March 2018

5. Tangible fixed assets

	Property £	Motor vehicles £	Total £
Cost:			
At 1 April 2017	-	40,688	40,688
Additions (see note 6)	4,079,121	-	4,079,121
At 31 March 2018	<u>4,079,121</u>	<u>40,688</u>	<u>4,119,809</u>
Depreciation:			
At 1 April 2017	-	16,563	16,563
Charge for period	280,000	13,563	293,563
At 31 March 2018	<u>280,000</u>	<u>30,126</u>	<u>310,126</u>
Net Book Value:			
At 31 March 2018	<u>3,799,121</u>	<u>10,562</u>	<u>3,809,683</u>
Net Book Value:			
At 31 March 2017	<u>-</u>	<u>24,125</u>	<u>24,125</u>

6. Debtors

	2018 £	2017 £
Long Term Debtors		
Cora Foundation (see note below)	<u>-</u>	<u>4,504,352</u>
Debtors falling due within one year		
Prepayments and accrued income	627,551	592,052
Other debtors	-	117
Cora Foundation	4,052,577	2,464,390
	<u>4,680,128</u>	<u>3,056,559</u>

The Board of Managers of St. Mary's Kenmure entered into an agreement with Cora Foundation to procure the construction of the new Secure Unit at Bishopbriggs. Under the agreement Cora Foundation financed the construction of the Unit by means of Government grant funding and a bank loan. Cora Foundation made repayment of the loan, interest and related costs from the revenues collected by it, on behalf of St. Mary's Kenmure, in respect of the operation of the Secure Unit.

To facilitate transfer of the ownership of the Secure Unit to St. Mary's Kenmure after the loan has been extinguished a debtor account was set up to accumulate to an amount equal to the carrying value of the Secure Unit in Cora Foundation's balance sheet at the end of the loan period. The loan was finally repaid in February 2017 and ownership of the Secure Unit has been transferred to St Mary's Kenmure.

**Notes to the financial statements
Year Ended 31 March 2018**

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdraft	392,372	135,835
Trade creditors	41,024	83,321
Social security and other taxes	156,400	144,487
Accrued expenses	117,298	66,339
	<u>707,094</u>	<u>429,982</u>

8. Pension schemes

Scottish Teachers Superannuation Scheme

The Scottish Teachers' Superannuation Scheme provides pensions to teachers who have worked in schools and other educational establishments in Scotland. The Scheme is an unfunded statutory public services pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and those current employees who are members of the Scheme, who pay contributions at different rates which depend on their salaries. The rate of employer contributions is typically set following an actuarial valuation.

The latest valuation of the scheme was based on data held at 31 March 2012 and completed on 27 February 2015. The results were used to set employer contribution rates from 1 September 2015 to 31 March 2019. The scheme assets amounted to £19.6 billion, whilst liabilities were £20.9 billion, resulting in a shortfall of £1.3 billion. The Scheme actuary determined that employer contributions should increase from 14.9% to 17.2% of pensionable pay.

St. Mary's Kenmure charges employer's pension contributions to the SOFA as and when they become due. The total employer contribution payable in the year to 31 March 2018 was £64,776 (2017: £64,959).

Strathclyde Pension Fund

The Local Government Pension Scheme (LPGS) is a defined benefit statutory scheme, administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) regulations 1998 (as amended). It is contracted out of the State Second Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund.

As required by FRS102 the defined benefit liabilities have been measured using the projected unit method. The tables below state the actuarial assumptions upon which the valuation of the scheme was based.

	2018 (% p.a.)	2017 (% p.a.)
Pension increase rate	2.4%	2.4%
Salary increase rate	3.6%	4.4%
Discount rate	2.7%	2.6%

The mortality assumptions adopted imply the following life expectancies at age 65

		2018	2017
Current Pensioners	Males	21.4 years	22.1 years
	Females	23.7 years	23.6 years
Future Pensioners	Males	23.4 years	24.8 years
	Females	25.8 years	26.2 years

Notes to the financial statements
Year Ended 31 March 2018

8. Pension scheme (contd.)

Analysis of amounts charged to statement of financial activities

	2018 £(000)	2017 £(000)
Current service cost	871	612
Net interest Cost	100	74
Net finance charge	<u>971</u>	<u>686</u>
Changes in demographic assumptions	162	-
Return on pension scheme assets excluding interest income	45	3,176
Other experience	2,143	(5)
Changes in financial assumptions	759	(4,641)
Total actuarial gains / (losses) recognised	<u>3,109</u>	<u>(1,470)</u>

Reconciliation of opening and closing balances of the scheme assets and liabilities

	Fair value of scheme assets £(000)	Present value of scheme liabilities £(000)	Scheme assets less liabilities £(000)
Scheme assets / liabilities at the start of the year	19,959	(23,660)	(3,701)
Current service cost and expenses	-	(871)	(871)
Interest income / (cost)	521	(621)	(100)
Actuarial (loss) / gain	45	3,064	3,109
Contributions by members	143	(143)	-
Contributions by employer	611	-	611
Benefits paid	(559)	559	-
	<u>20,720</u>	<u>(21,672)</u>	<u>(952)</u>

The best estimate of employers contributions expected to be paid to the scheme in the year to 31 March 2019 is £496,000.

9. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	3,809,683	-	3,809,683
Long term debtor	-	-	-
Net current assets	3,979,481	-	3,979,481
Pension scheme liability	(952,000)	-	(952,000)
	<u>6,837,164</u>	<u>-</u>	<u>6,837,164</u>

St. Mary's Kenmure

Notes to the financial statements Year Ended 31 March 2018

10. Unrestricted funds

	Balance at 31.03.17 £	Incoming £	Outgoing £	Transfers and losses £	Balance at 31.03.18 £
General funds					
Revenue	6,996,468	6,940,874	(5,598,129)	(611,000)	7,728,213
Capital	160,015	252,500	(351,564)	-	60,951
	<u>7,156,483</u>	<u>7,193,374</u>	<u>(5,949,693)</u>	<u>(611,000)</u>	<u>7,789,164</u>
Pension reserve	(3,701,000)	-	(971,000)	3,720,000	(952,000)
	<u>3,455,483</u>	<u>7,193,374</u>	<u>(6,920,693)</u>	<u>3,109,000</u>	<u>6,837,164</u>

A transfer of £611,000 was made from Revenue funds to the Pension reserve in respect of employer's pension contributions. An actuarial gain of £3,109,000 arose on the Pension reserve.

11. Related Party Transactions

At 31 March 2018 Cora Foundation owed St. Mary's Kenmure £4,655,664 (31 March 2017: £3,040,687) in respect of revenues collected by Cora Foundation on behalf of the school.

St. Marys Kenmure has common trustees/directors with a number of organisations that operate under the Cora Foundation umbrella. Transactions during the year with these related organisations were:

Name	Transactions	Amount (received) / paid Year to 31.03.18 £	Balance due from/(to) as at 31.03.18 £	Amount (received) / paid Year to 31.03.17 £	Balance due from/(to) as at 31.03.17 £
Cora Foundation	Management fee	275,615	-	260,791	-
	New secure unit amortisation	-	-	280,000	4,504,352
Stepdown	Rental income	(13,200)	1,100	(13,200)	1,100