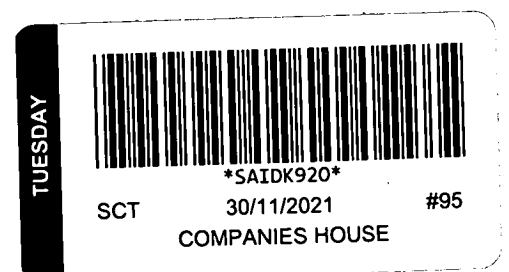


**St. Mary's Kenmure**  
**Report and Financial Statements**  
**Year Ended 31 March 2021**  
**Charity No: SC029984**  
**Company No: SC390523**



# **St. Mary's Kenmure**

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## **St. Mary's Kenmure**

### **Reference and Administrative Information Year Ended 31 March 2021**

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#### **Board of Trustees:**

Angus Gillon, Chairman  
Rt Rev Mgr. Peter Canon Smith (deceased October 2021)  
Joseph Farrell  
Brian Tierney  
Brain Aitken (appointed 25 January 2021)  
Anthony Graeme Hyslop OBE (appointed May 2021)  
Martin Cullen (resigned 31 March 2021)  
Gerard McGinty (resigned October 2020)

#### **Senior Management:**

Kevin Miller – Director of Services  
Claire Lundy – Head Teacher  
Bernie Sanderson – Human Resources

#### **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 2021**

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The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2021.

### **Reference and Administration information**

The Board of Trustees, 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 Trustees 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 Trustees meet regularly throughout the year to administer the charity. A Director of Service is appointed by the trustees to manage the day to day operations of the secure unit. The director has delegated authority, as approved by the trustees, 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 2021**

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#### **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, and SMK care Services which provides specialist accommodation for young people on the edge of secure care.

#### **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 make advances in their strategy to develop and maintain a 'firm foothold' in 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 continues to be part of the 'Secure Care Framework' with the procurement role managed by 'Scotland Excel'. Contractual arrangements with Scotland Excel may be reviewed yearly on the request of the provider.

The service continues to respond to the increasing needs of both Scottish and Cross Border Local Authorities, who are eager to place their young people at St Mary's Kenmure. This trend has been evidenced throughout the whole of last year i.e. in the steady increase in our overall capacity numbers, along with a marked increase in the duration of our longer-term placements.

We have also managed to achieve many of our strategic targets as set out in our yearly Strategic Development Plan. These include,

- Ongoing refurbishment of our House Units and young people's bedrooms.
- Continued improvements to our CCTV system and Door Access System.
- Major works undertaken in the maintenance of our swimming pool, including the replacement of associated equipment.
- The creation of additional opportunities including Health and Wellbeing, Transitions and additional HR posts.
- The development of the Quality Assurance Lead role, in particular St Mary's Kenmure securing our European Framework for Quality Management Assessor status.

## **St. Mary's Kenmure**

### **Report of the Trustees Year Ended 31 March 2021**

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#### **Achievements and Performance (cont.)**

Our targets for the next year will be broadly like that of 2020/2021, with our main aim being to consolidate our achievements before moving on to our next phase of our Strategic Development Plan. Our next phase will include undertaking a full refurbishment of our Education Department i.e., replacing furniture, fittings, décor and improving IT within Education, this has been somewhat hampered due to the Covid Pandemic over the past 12 months. We have continued to make market-leading advances in developing our therapeutic approach including providing cutting-edge training and development opportunities for our staff, which will supplement our already embedded Trauma Informed Approach. It would be fair to say that currently St Mary's Kenmure is on an upward trajectory and with the continued support and understanding of our Board of Trustees, there is no reason why this will not continue.

#### **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 £8.18million (2020: £8.44million). Resources expended were £8.04million (2020: £7.63million). Net incoming resources before actuarial gains or losses were £141,048 (2020: £805,116).

An actuarial gain was realised from the pension scheme of £1.95million (2020: £1.19million).

#### 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 £3.8million. 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 fund, were £8.1 million at 31 March 2021.

**Report of the Trustees  
Year Ended 31 March 2021**

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**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 18 November 2021 by:



**Angus Gillon**  
Chairman

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

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**Opinion**

We have audited the financial statements of St. Mary's Kenmure (the 'charitable company') for the year ended 31 March 2021 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 2021 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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.



## **St. Mary's Kenmure**

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

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#### **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 five, 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 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 company or to cease operations, or have 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

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

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**Explanation as to what extent the audit was considered capable of detecting irregularities including fraud.**

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these among our audit team members. We then designed and performed audit procedures to respond to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector as a whole we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and
- UK tax and employment legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks of the charity were related to;

- Inappropriate journal entries; and
- Management bias in accounting estimates.

**Audit response to the risks identified:**

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual or potential litigation and claims;
- Reading minutes of meetings of those charged with governance;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments and evaluating rationale of any significant transactions that are unusual or outside the normal course of business; and
- Communicating relevant identified laws and regulations and potential fraud risks to all audit team members, and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. The further removed any non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **St. Mary's Kenmure**

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

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#### **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: 25.11.21

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 2021

	Note	Unrestricted reserves £	Restricted reserves £	Total 2021 £
<b>Income:</b>				
<i>Income from charitable activities:</i>				
Service income		7,522,785	-	7,522,785
Government grants		48,411	305,962	354,373
Other income	2	303,580	-	303,580
Bank interest		-	-	-
<b>Total income</b>		<b>7,874,776</b>	<b>305,962</b>	<b>8,180,738</b>
<b>Expenditure:</b>				
Charitable activities	3	7,733,728	305,962	8,039,690
<b>Total expenditure</b>		<b>7,733,728</b>	<b>305,962</b>	<b>8,039,690</b>
<b>Net income</b>		<b>141,048</b>	<b>-</b>	<b>141,048</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>
Actuarial gains on defined benefit pension scheme	9	1,947,000	-	1,947,000
<b>Net movement in funds</b>		<b>2,088,048</b>	<b>-</b>	<b>2,088,048</b>
Total funds brought forward		8,420,217	-	8,420,217
<b>Total funds carried forward</b>		<b>10,508,265</b>	<b>-</b>	<b>10,508,265</b>

	Note	Unrestricted reserves £	Restricted reserves £	Total 2020 £
<b>Income:</b>				
<i>Income from charitable activities:</i>				
Service income		8,320,231	-	8,320,231
Other income	2	119,686	-	119,686
Bank interest		71	-	71
<b>Total income</b>		<b>8,439,988</b>	<b>-</b>	<b>8,439,988</b>
<b>Expenditure:</b>				
Charitable activities	3	7,623,280	11,592	7,634,872
<b>Total expenditure</b>		<b>7,623,280</b>	<b>11,592</b>	<b>7,634,872</b>
<b>Net income / (expenditure)</b>		<b>816,708</b>	<b>(11,592)</b>	<b>805,116</b>
<b>Transfers between funds</b>		<b>(1,592)</b>	<b>1,592</b>	<b>-</b>
Actuarial gains on defined benefit pension scheme	9	1,189,000	-	1,189,000
<b>Net movement in funds</b>		<b>2,004,116</b>	<b>(10,000)</b>	<b>1,994,116</b>
Total funds brought forward		6,416,101	10,000	6,426,101
<b>Total funds carried forward</b>		<b>8,420,217</b>	<b>-</b>	<b>8,420,217</b>

The notes on pages 13 to 20 form part of these financial statements

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

**Balance Sheet  
As at 31st March 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	2,991,142	3,289,014
<b>Total fixed assets</b>		<b>2,991,142</b>	<b>3,289,014</b>
<b>Current assets</b>			
Debtors	6	8,572,567	7,577,750
Cash at bank and in hand		169,857	12,591
<b>Total current assets</b>		<b>8,742,424</b>	<b>7,590,341</b>
<b>Current Liabilities</b>			
Creditors falling due within one year	7	(391,301)	(418,138)
Provisions	8	(260,000)	-
<b>Total current liabilities</b>		<b>(651,301)</b>	<b>(418,138)</b>
<b>Net current assets</b>		<b>8,091,123</b>	<b>7,172,203</b>
<b>Net assets excluding pension scheme liability</b>		<b>11,082,265</b>	<b>10,461,217</b>
Defined benefit pension scheme liability	9	(574,000)	(2,041,000)
<b>Total net assets</b>	10	<b>10,508,265</b>	<b>8,420,217</b>
<b>The funds of the charity</b>			
General funds		11,082,265	10,461,217
Pension reserve		(574,000)	(2,041,000)
<b>Total unrestricted funds</b>	11	<b>10,508,265</b>	<b>8,420,217</b>
Restricted income funds	12	-	-
<b>Total charity funds</b>		<b>10,508,265</b>	<b>8,420,217</b>

Approved by the Board and signed on its behalf on 18 November 2021 by:



**Angus Gillon  
Chairman**

# St. Mary's Kenmure

## Statement of Cash Flows Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	1	<b>228,226</b>	<b>148,953</b>
<b>Cash flows from investing activities:</b>			
Interest received		-	71
Purchase of fixed assets		-	(67,766)
<b>Net cash provided / (used) by investing activities</b>		<b>-</b>	<b>(67,695)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>228,226</b>	<b>81,258</b>
Cash and cash equivalents at the beginning of the year		(58,369)	(139,627)
<b>Cash and cash equivalents at the end of the year</b>	2	<b>169,857</b>	<b>(58,369)</b>

### Notes to the Statement of cash flows

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

	2021 £	2020 £
Net income for the year	141,048	805,116
Depreciation charges	297,872	297,873
Interest received	-	(71)
Decrease in net movement in funds due to FRS17	480,000	676,000
(Increase) / decrease in debtors	(994,817)	(1,626,654)
(Decrease) / increase in creditors	304,123	(3,311)
<b>Net cash provided by operating activities</b>	<b>228,226</b>	<b>148,953</b>

#### 2. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and on hand	169,857	12,591
Bank overdraft	-	(70,960)
<b>Total cash and cash equivalents</b>	<b>169,857</b>	<b>(58,369)</b>

**Notes to the financial statements  
Year Ended 31 March 2021**

---

**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 2019), 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.

**Going Concern**

At the time of approving these financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

**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:

- Property - straight-line over 15 years.
- Motor vehicles - straight-line over 3 years.

**Provisions**

Provisions are recognised when the charity has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of that obligation's amount.

**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 2021

### 2. Other income

	2021 £	2020 £
Additional staffing	295,300	103,340
Rental income	7,200	8,200
Disposal of vehicles	-	7,375
Other	1,080	771
	<u>303,580</u>	<u>119,686</u>

### 3. Charitable activities

	Unrestricted reserves £	Restricted reserves £	Total 2021 £
<b>Teaching and care of children</b>			
Teaching and care staff	4,724,608	203,328	4,927,936
Training costs	7,880	347	8,227
External services	15,600	46,263	61,863
Supplies and services	184,813	9,736	194,549
National inquiry	50,000	-	50,000
Other expenditure	283,585	-	283,585
	<u>5,266,486</u>	<u>259,674</u>	<u>5,526,160</u>
<b>Running costs and maintenance of unit</b>			
Kitchen and maintenance staff	271,480	-	271,480
Operations and control room staff	251,642	-	251,642
Property costs	805,676	35,247	840,923
Transport costs	9,757	-	9,757
Springboig St John's contribution	650	-	650
Capital expenditure	250,984	11,041	262,025
Depreciation	297,872	-	297,872
	<u>1,888,061</u>	<u>46,288</u>	<u>1,934,349</u>
<b>Support costs</b>			
Administration staff	152,165	-	152,165
Management fees	315,309	-	315,309
Other administrative costs	68,627	-	68,627
	<u>536,101</u>	<u>-</u>	<u>536,101</u>
<b>Governance costs</b>			
Auditors remuneration	12,700	-	12,700
Official correspondents fees	30,380	-	30,380
	<u>43,080</u>	<u>-</u>	<u>43,080</u>
<b>Total Charitable Activity Costs</b>	<u><u>7,733,728</u></u>	<u><u>305,962</u></u>	<u><u>8,039,690</u></u>



# St. Mary's Kenmure

## Notes to the financial statements Year to 31 March 2021

### 3. Charitable activities (cont.)

	Unrestricted reserves £	Restricted reserves £	Total 2020 £
<b>Teaching and care of children</b>			
Teaching and care staff	4,869,163	-	4,869,163
Training costs	35,610	-	35,610
External services	26,950	-	26,950
Supplies and services	214,428	-	214,428
National inquiry	50,000	-	50,000
Other expenditure	108,441	-	108,441
	<u>5,304,592</u>	<u>-</u>	<u>5,304,592</u>
<b>Running costs and maintenance of unit</b>			
Kitchen and maintenance staff	238,572	-	238,572
Operations and control room staff	254,270	-	254,270
Property costs	778,193	-	778,193
Transport costs	10,173	-	10,173
Springboig St John's contribution	9,846	-	9,846
Capital expenditure	169,687	11,592	181,279
Depreciation	297,873	-	297,873
	<u>1,770,206</u>	<u>11,592</u>	<u>1,770,206</u>
<b>Support costs</b>			
Administration staff	135,914	-	135,914
Management fees	296,583	-	296,583
Other administrative costs	86,590	-	86,590
	<u>519,087</u>	<u>-</u>	<u>519,087</u>
<b>Governance costs</b>			
Auditors remuneration	12,480	-	12,480
Official correspondents fees	28,507	-	28,507
	<u>40,987</u>	<u>-</u>	<u>40,987</u>
<b>Total Charitable Activity Costs</b>	<u><u>7,623,280</u></u>	<u><u>11,592</u></u>	<u><u>7,634,872</u></u>

### 4. Employees and Trustees

#### Staff numbers

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

	2021 No.	2020 No.
Teaching and care	109	108
Kitchen and maintenance	12	12
Operations and control room	7	7
Administration	4	5
	<u>132</u>	<u>132</u>

# St. Mary's Kenmure

## Notes to the financial statements Year to 31 March 2021

### 4. Employees and Trustees (cont.)

#### Staff costs

	2021 £	2020 £
Wages and salaries	4,012,123	3,793,319
Social security costs	399,138	371,339
Pension costs	1,191,962	1,333,261
	<u>5,603,223</u>	<u>5,497,919</u>

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

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	-	2

All (2020: 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 2021 they received total aggregate employee benefits, including pension contributions, of £172,830 (2020: £259,715).

#### Trustees

Trustees received nil remuneration (2020: Nil) for their services. None of the trustees were reimbursed for travel expenses during the year (2020 – none).

### 5. Tangible fixed assets

	Property £	Motor vehicles £	Total £
<b>Cost:</b>			
At 1 April 2020	4,079,121	99,454	4,178,575
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	<u>4,079,121</u>	<u>99,454</u>	<u>4,178,575</u>
<b>Depreciation:</b>			
At 1 April 2020	840,000	49,561	889,561
Charge for period	280,000	17,872	297,872
At 31 March 2021	<u>1,120,000</u>	<u>67,433</u>	<u>1,187,433</u>
<b>Net Book Value:</b>			
At 31 March 2021	<u>2,959,121</u>	<u>32,021</u>	<u>2,991,142</u>
At 31 March 2020	<u>3,239,121</u>	<u>49,893</u>	<u>3,289,014</u>

## St. Mary's Kenmure

### Notes to the financial statements Year Ended 31 March 2021

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#### 6. Debtors: amounts falling due within one year

	2021 £	2020 £
Accrued income	611,423	402,943
SMK Care Services	703,911	954,780
Cora Foundation	7,257,233	6,220,027
	<u>8,572,567</u>	<u>7,577,750</u>

#### 7. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank overdraft	-	70,960
Trade creditors	88,944	43,957
Social security and other taxes	178,273	171,099
Accrued expenses	124,084	132,122
	<u>391,301</u>	<u>418,138</u>

#### 8. Provisions

	Legal claims £
At 31 March 2020	-
Provided for during the year	260,000
At 31 March 2021	<u>260,000</u>

##### Legal claims

The amounts represent a provision for ongoing legal claims brought against the charity by employees in the normal course of business. All claim provisions are considered current and are not, therefore, discounted to take into account the passage of time.

**Notes to the financial statements**  
**Year Ended 31 March 2021**

**9. Pension schemes**

**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.

	2021 (% p.a.)	2020 (% p.a.)
Pension increase rate	2.85%	1.90%
Salary increase rate	3.55%	3.00%
Discount rate	2.00%	2.30%

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

		2021	2020
Current Pensioners	Males	19.8 years	21.4 years
	Females	22.6 years	23.7 years
Future Pensioners	Males	21.2 years	23.4 years
	Females	24.7 years	25.8 years

**Analysis of amounts charged to statement of financial activities**

	2021 £(000)	2020 £(000)
Current service cost	1,048	1,207
Net interest Cost	52	69
<b>Net finance charge</b>	<b>1,100</b>	<b>1,276</b>
Changes in demographic assumptions	1,422	-
Return on pension scheme assets excluding interest income	4,895	(1,476)
Other experience	1,503	163
Changes in financial assumptions	(5,873)	2,502
<b>Total actuarial gains / (losses) recognised</b>	<b>1,947</b>	<b>1,189</b>

**Notes to the financial statements  
Year Ended 31 March 2021**

**9. Pension scheme (contd.)**

**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	21,398	(23,439)	(2,041)
Current service cost and expenses	-	(1,048)	(1,048)
Interest income / (cost)	494	(546)	(52)
Actuarial gain / (loss)	5,453	(3,506)	1,947
Contributions by members	172	(172)	-
Contributions by employer	620	-	620
Benefits paid	(8)	8	-
	<u>28,129</u>	<u>(28,703)</u>	<u>(574)</u>

The best estimate of employers contributions expected to be paid to the scheme in the year to 31 March 2022 is £612,000.

**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 2016 and completed on 18 February 2019. The results were used to set employer contribution rates from 1 September 2019 to 31 March 2023. The scheme assets amounted to £21.5 billion, whilst liabilities were £22.8 billion, resulting in a shortfall of £1.3 billion. The Scheme actuary determined that employer contributions should increase from 17.2% to 23.0% 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 2021 was £92,626 (2020: £74,384).

**10. Analysis of net assets between funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,991,142	-	2,991,142
Net current assets	8,091,123	-	8,091,123
Pension scheme liability	(574,000)	-	(574,000)
	<u>10,508,265</u>	<u>-</u>	<u>10,508,265</u>

## St. Mary's Kenmure

### Notes to the financial statements Year Ended 31 March 2021

#### 11. Unrestricted funds

	Balance at 31.03.20 £	Incoming £	Outgoing £	Transfers and losses £	Balance at 31.03.21 £
<b>General funds</b>					
Revenue	10,164,589	7,674,776	(6,382,744)	(620,000)	10,836,621
Capital	296,628	200,000	(250,984)	-	245,644
	<u>10,461,217</u>	<u>7,874,776</u>	<u>(6,633,728)</u>	<u>(620,000)</u>	<u>11,082,265</u>
Pension reserve	(2,041,000)	-	(1,100,000)	2,567,000	(574,000)
	<u>8,420,217</u>	<u>7,874,776</u>	<u>(7,733,728)</u>	<u>1,947,000</u>	<u>10,508,265</u>

A transfer of £620,000 was made from Revenue funds to the Pension reserve in respect of employer's pension contributions. An actuarial gain of £1,947,000 arose on the Pension reserve.

#### 12. Restricted funds

	Balance at 31.03.20 £	Incoming £	Outgoing £	Transfers and losses £	Balance at 31.03.21 £
Scottish government	-	305,962	(305,962)	-	-

The grant was provided to cover the additional costs incurred as a result of Covid-19 and for delivery of The Promise.

#### 13. Related Party Transactions

At 31 March 2021 Cora Foundation owed St. Mary's Kenmure £7,857,417 (31 March 2020: £6,519,305) 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 31.03.21 £	Balance due from/(to) as at 31.03.21 £	Amount (received) / paid Year to 31.03.20 £	Balance due from/(to) as at 31.03.20 £
Cora Foundation	Management fee	315,309	-	296,583	-
Stepdown	Rental income	(7,200)	600	(8,200)	600
	Training & development	(23,682)	6,000	(23,295)	3,883
	Staff secondment	54,259	-	-	-
SMK Care Services	Loan	-	500,000	700,000	600,000
	Funds paid on behalf of	231,287	203,911	453,393	354,780
	Staff secondment	275,156	-	-	-