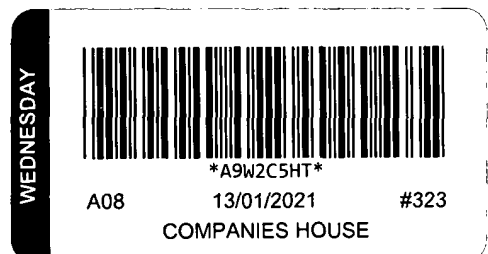


Charity Registration No. 1088675

Company Registration No. 4249759 (England and Wales)

Regulator of Social Housing Registration No. LH4338

THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Rev Stephen Beale Rev Philip Kehoe Rev John Perrotta Mrs Bernadette Griffin Rev J Simionato
Secretary	Mr Michael Healy
Registered Social Housing Provider Number	LH4338
Charity number	1088675
Company number	4249759
Registered office	13 Lower Teddington Road Hampton Wick Kingston Upon Thames Surrey KT1 4EU United Kingdom
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	HSBC Bank Plc 69 Pall Mall London SW1Y 5EY
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE United Kingdom

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
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THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Chairman's Report 2019/20

Like many organisations around the world, the latter part of our financial year was dominated by the impact of the coronavirus. As I write we are still feeling its effects, with little certainty as to when we will return to normality. I would like to thank all our staff, particularly our care workers, for the magnificent way they have risen to the challenge of continuing the work of the charity in such difficult and worrying times.

When the coronavirus lockdown began in March 2020 our care homes continued to function, but we closed our horticulture and arts day centre in East Molesey. As lockdown measures have eased, we have re-opened the day service, but have taken the decision to do so in a scaled down form, with fewer service users and fewer staff. It is now only available to those service users who live on the Molesey site at Sundial House. This has meant that some people have lost a service which they valued, and some dedicated staff have been made redundant. I very much regret that it was necessary for us to take this action. Unfortunately, apart from the particular problems brought about by the coronavirus, the Horticultural Centre had not been able to cover its costs for some time and was experiencing a steady decline in the number of people attending. The changes we have made should enable the service to continue, albeit on a smaller scale.

We are all familiar with the terrible toll that the coronavirus took on care home residents and workers nationally, and the difficult choices care home operators had to make. We took the decision to restrict access to Cardinal Heenan House a week or so before the national lockdown, and not to accept new residents until we were assured, through reliable testing, that we would not be introducing infection into the home. As a consequence, the occupancy of the home is substantially below what we budgeted, and this is having an impact on our revenue for the current year. Our priority is, of course, the health and safety of the residents and staff. I can appreciate how difficult it was for residents and their families having to endure the lack of contact with loved ones while visiting was restricted. I am grateful to everybody for their patience and co-operation.

During the year Precious Fireyi, our manager of Sundial House, left to take on new challenges; we are grateful to Precious for her long years of service. The new manager of Sundial House is Patrick Oshad. We very much appreciate Patrick's hard work in managing the home in the difficult circumstances brought about by the coronavirus.

In December 2019, the charity's subsidiary trading company, The Sons of Divine Providence Developments Ltd, obtained planning permission for the redevelopment of the site of our former care home, Orione House, in Hampton Wick. Funding for the project was agreed with lenders in January 2020 and work began on site in February 2020. Despite the problems posed by the coronavirus, the project is still on schedule for completion by summer 2021. This has been a great effort by the contractor and all the workers, which I greatly appreciate. When completed, this project will provide 28 extra care flats on the Orione House site, plus a further three flats in an adjacent building. Any surplus made by the subsidiary company will ultimately come to the charity and be used for its charitable purposes.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

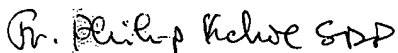
During the year we completely refurbished another property in Hampton Wick to provide ten, one-bedroom, self-contained flats. The flats now have new kitchens and bathrooms and meet modern standards for fire protection and sound insulation. The flats have been made available to original tenants, who had been decanted for the duration of the works, and others nominated by Richmond Council.

In July 2019 we transferred the care provision at St. John's, our residential care home in Teddington, to another charity, Walsingham Support. We retain ownership of the building and are responsible for ensuring that it meets the needs of the residents, while the staffing and care are the responsibility of Walsingham Support. This is in line with our strategy to concentrate on being a provider of housing rather than care services in future.

This strategy means that the priests of the Congregation are more available to work in parishes close to our religious communities. I am pleased to say that during the year we took responsibility for three more parishes. I am very pleased that, as we move away from providing care services directly ourselves, The Sons of Divine Providence is still able to provide a much-needed service to parishioners in our local dioceses.

Our chief executive officer, Mr. John Tonner, left during the year. We appreciate all John's hard work in his three years with the charity. The post of CEO has not yet been filled. The trustees have commissioned a consultant to carry out a review to ensure that the charity has an appropriate staffing structure to meet the needs of the organisation, taking into account recent changes in the services provided, and the challenges of the new projects.

Finally, in this most difficult of times, I would again like to express my gratitude to everybody who has contributed to the work of the charity over the year, particularly our staff and volunteers, and our many friends and benefactors.



Fr. Philip Kehoe FDP
Chairman of Trustees

8th December 2020

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Board of Trustees are pleased to present their Trustees' Annual Report and accounts for the year ending 31 March 2020. The Trustees' Annual Report contains a Directors' Report as required by company law. The report and accounts comply with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Structure, Governance and Management

History of the Charity

The Sons of Divine Providence is a Roman Catholic religious congregation, founded in Italy in 1893. The Congregation takes inspiration from its founder Saint Luigi Orione, whose motto was: "Do good to all, harm nobody". Saint Luigi Orione is remembered for his commitment to social justice and the service of those in need, a service guided and inspired by the teachings of the Catholic Church.

Saint Luigi Orione began his work with orphans and street children in the city of Tortona in north-west Italy while he was still a student. He was a man of enormous energy and enterprise, and by the time of his death in 1940 Saint Luigi Orione and his followers had established services for the care of elderly, disabled and disadvantaged people all over Italy, as well as in Poland, Brazil, Argentina and Palestine. Today nearly a thousand priests and brothers of the congregation are working in 33 countries around the world providing services for more than 200,000 people in a variety of health and social care projects.

The Sons of Divine Providence came to England in 1949 when Fr. Paul Bidone arrived from Italy. He spoke no English and carried only a ten-shilling note and the name of one British contact. However, three years later he had opened his first home, Fatima House in South London, for homeless elderly men.

Orione Care

On the 1st of April 2009, The Sons of Divine Providence adopted "**Orione Care**" as a working name for the charity. The charity had operated under the same name as the religious congregation for over 50 years, but it was felt by the trustees that the name did not readily convey to the public the type of work carried out by the charity. The name *Orione Care* allows the charity to develop its own identity whilst retaining the link with the Congregation through the use of the Founder's name. The charity's registration numbers at the Charity Commission, Companies House and the Regulator of Social Housing were not affected by the adoption of the working name.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Governing Document

At the time Fatima House was opened, in 1952, the religious Congregation established an unincorporated charitable trust as the vehicle for its work in England (registered charity number 220608).

During 2001/02 the Congregation restructured its affairs and founded a charitable limited company to manage and develop its care and housing services in England (The Sons of Divine Providence, company number 4249759, charity number 1088675, registered social landlord number LH4338). With effect from the 1st of April 2002 the assets, liabilities and functions of the 1952 trust were transferred to the new charitable company.

The Memorandum and Articles of Association were amended in March 2007 to take account of changes to the structure of the Congregation at an international level. In August 2006 the Congregation in the United Kingdom had joined with confreres in a number of other countries to form the English-Speaking Missionary Delegation. The amendments to the Articles of Association of the charity principally concerned changes to company membership and the appointment of Trustees, necessitated by the formation of the new Delegation. The sealed Consent of the Housing Corporation to the amendments was granted on the 8th of March 2007.

The current version of the governing document is the Articles of Association of The Sons of Divine Providence as amended by a Special Resolution dated 12 December 2012. This amendment took into account the requirements of The Companies Act 2006, it widened the membership to include members of the Congregation from overseas and it reserved some powers to the members in respect of dealings with property, mortgages and joint venture arrangements.

The Members

The members of the charity are the members of the Congregation who have consented to membership, and who guarantee to contribute £1 in the event of a winding up. There are two classes of members, the ex-officio members, who are the superior general and superior delegate of the Congregation for as long as they hold their office, and the admitted members, who are admitted by written notice from the ex-officio members for a renewable three-year term.

Recruitment, Appointment and Training of Trustees

The company is governed by a board of trustees, who are also the directors for the purpose of company law. There are two classes of trustee: Congregation Trustees and Independent Trustees. The Board of Trustees comprises a minimum of three and a maximum of nine trustees. Not more than two thirds can be Congregation Trustees. The trustees who served during the year are shown on the information page.

As a religious charity it is appropriate that members of the religious congregation are involved in the governance of the charity. The majority of the trustees are therefore members of the religious congregation. These are people who have made a life-long commitment to the values of the charity and have great knowledge of its history, works and mission.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Congregation Trustees are joined on the Board by Independent Trustees. These are people who are not members of the Congregation but are sympathetic to its work and values and bring an objective perspective.

Fr. Stephen Beale, Fr. John Perrotta and Fr. Philip Kehoe have all served more than nine years on the board of trustees. This is deemed to be appropriate because they continue to be senior members of The Sons of Divine Providence religious congregation in the UK.

All of the trustees are appointed by the members of the charity and have so far been recruited by word of mouth.

Prospective trustees are provided with a copy of the Governing Document and guidance on the duties of charity trustees and company directors published by the Charity Commission and Companies House. Independent Trustees normally attend several meetings as observers before being appointed. This enables them to get to know the other trustees and key members of staff. Congregation Trustees will already have a good knowledge of the charity and its operations because they are professed members of the Congregation.

None of the Trustees has any beneficial interest in the charity, save that the constitution permits the charity to provide accommodation and living expenses to those trustees who are members of the Congregation. None of the trustees receive payment for their work as trustees.

Organisational Structure and Decision Making

A senior management team, comprising the head of housing and operations, the finance manager and the company secretary, manage the day to day operations of the charity and report to the board of trustees. These officers submit regular written and verbal reports to meetings of the board of trustees.

Planning meetings involving senior staff and unit managers are held towards the end of each year. Unit managers are encouraged to consult their staff and service users prior to the planning meetings. From these meetings a draft budget and annual plan is formulated. The budget is put before the trustees in March, and once approved forms the basis for the major decisions for the coming year. Significant proposed deviations from the plan or expenditure outside of the budget are referred to the chairman of trustees for approval and reported to the full board of trustees at the next meeting.

Pay and Remuneration

The pay of all the charity's employees, including key management personnel, is considered by the trustees at their March meeting along with the budget, and any increases in pay are approved by the full board of trustees.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The charity operates two defined contribution pension schemes. In the older scheme the charity contributes an amount equal to 5% of gross salary if the employee contributes a minimum of 3%. For staff who commenced employment since 2014 the charity provides an auto- enrolment scheme, where the charity contributes 3% of gross salary and the employee a minimum of 5%. Key management personnel are members of one of these schemes or have opted out. There are no enhanced or special terms applicable for key management personnel.

Relationships between the Charity and Related Parties

The Congregation Trustees are members of the Congregation of The Little Work of Divine Providence (known in England as The Sons of Divine Providence). The Congregation is a religious congregation established under Canon Law as set out in the Constitution and Norms promulgated by the General Curia in Rome in 1988. The Congregation Trustees consider themselves bound to follow the Congregation's rule of life and abide by its constitution.

The Congregation has established charitable organisations in other countries where it works; the English charity has provided support and funding to these charities.

- One of the Congregation Trustees sit on the board of The Sons of Divine Providence in Ireland (Irish Charity No. CHY 6038).
- Funding is provided to the Congregation's charity in Kenya ("Congregation of The Sons of Divine Providence Registered Trustees")
- Funding is also provided to "The Kripa Trust", the trust through which the Congregation works in India.
- The English charity co-operates with The Sons of Divine Providence Congregation at an international level and contributes to funding for the Congregation's international projects.
- The property of the English Province of the Congregation was previously held by a trust: "Trust Property Held by the Congregation Known as The Little Work of Divine Providence" (registered charity number 220608). This trust was removed from the Charity Commission register on the 27th of November 2007, and from the Housing Corporation register on the 18th of March 2008. The trust properties were transferred to the current charitable company (The Sons of Divine Providence, registered charity number 1088675, company number 4249759) on the 1st of April 2002.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Wholly Owned Subsidiary Trading Companies

The trustees have established two wholly owned subsidiary trading companies:

- In order to take forward the project to re-develop Orione House the trustees established a wholly owned subsidiary trading company called **The Sons of Divine Providence Developments Ltd** (company number 11393450). This company was incorporated on the 1st of June 2018. There are two directors of The Sons of Divine Providence Developments Ltd: Fr. Jose Simionato and Fr. Philip Kehoe, who are also members of the board of charity trustees.
- In order to take forward the proposed redevelopment of the charity's site and services in East Molesey the trustees established a wholly owned subsidiary trading company called **SDP Ventures Ltd** (company number 11862222). This company was incorporated on the 5th of March 2019. There are two directors of SDP Ventures Ltd: Fr. Jose Simionato and Fr. Philip Kehoe, who are also members of the board of charity trustees.

The former chief executive of the charity, Mr. John Tonner, was a director of both subsidiary trading companies during the financial year until he resigned as a director on the 25th of September 2019.

Both subsidiary trading companies are registered at 13 Lower Teddington Road, Hampton Wick, Kingston upon Thames, which is the head office of the charity. The trading companies use some of the charity's resources, including staff time. The use of the charity's resources by the subsidiary companies is governed by resource sharing agreements which are in place to ensure that the charity is properly compensated for the use of its resources by the subsidiary companies.

Related Party Transactions

On the 4th of October 2018 the Orione House care home site and the adjacent 29 Lower Teddington Road, both in Hampton Wick, were transferred from the charity to the subsidiary trading company, The Sons of Divine Providence Developments Ltd (company number 11393450). The purchase price was determined by a valuation of the property provided to the trustees in a Qualified Surveyor's Report by Cushman & Wakefield in accordance with The Charities Act 2011 and The Charities (Qualified Surveyor's Reports) Regulations 1992.

The subsidiary trading company used the property as security to raise a loan, some of which was used to pay the charity a part of the purchase price and some of which was used for the first phase of the redevelopment of the site. The subsidiary trading company has granted the charity a second charge over the property. When the property has been redeveloped the subsidiary trading company will pay the charity the remainder of the purchase price, plus interest, and any surplus made on the leasehold sales of apartments on the site. The subsidiary also intends to transfer the freehold of the property back to the charity.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The trading subsidiary is a "connected person" as defined in section 118 of the Charities Act 2011, so authorisation for the disposal of the property, by the charity, to the subsidiary company, was required from The Charity Commission. This authorisation was given by The Charity Commission in an Order dated the 28th of September 2018.

Governance

The trustees have adopted The Charity Governance Code. The trustees believe that they comply with The Regulator of Social Housing's Governance and Financial Viability Standard.

Directors' Strategic Report

Objectives and Activities

The Purposes of the Charity as set out in the Governing Document are:

To advance the Roman Catholic faith by exclusively charitable means and in particular to sanctify all members of the Congregation through the observance of the three simple vows of Obedience, Chastity, and Poverty and the Constitutions of the Congregation.

To relieve poverty, sickness, disability and distress, as a way of giving practical expression to the Roman Catholic faith, by providing care, housing, respite and day services to:

- People who are sick
- Young people
- People who are elderly
- People with mental disabilities
- People with physical disabilities
- Homeless people
- People in housing need

To advance education by providing schools, training centres and other institutes of learning.

To further such other charitable purposes which, in the opinion of the trustees, are demanded by the necessities of the times.

The Main Activities of the Charity

The main activities of the charity in relation to its charitable purposes during the year were providing one care home for older people, two care homes for people with learning disabilities, one day centre for people with learning disabilities, 16 housing units designated for supported living and 63 units of independent general needs social housing. The charity also provides financial support to the Congregation's missions in Kenya and India.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Safeguarding of Adults at Risk

The trustees confirm that policies are in place to ensure high standards of protection of all vulnerable adults who use the services provided by the charity. These include the use of Disclosure and Barring Service (DBS) checks on all prospective staff who are likely to be involved in a regulated activity. The charity's Safeguarding Policy is reviewed regularly and was last reviewed in February 2019.

Use of Volunteers

Individual services benefit greatly from a small number of dedicated and loyal volunteers. There are also "friends" attached to some services who help with fund-raising activities and social events. Individual service users may have their own voluntary advocates. All volunteers who are involved in a regulated activity undergo Disclosure and Barring Service (DBS) and reference checks.

Public Benefit Statement

The trustees have a duty to report on how the activities of the charity deliver public benefit. The sections of this Report entitled "Objectives and Activities" and "Achievements and Performance" set out the charity's objectives and report on the activity and successes in the year to the 31st of March 2020. The section entitled "Plans for the Future" explains the plans for the current financial year and beyond. The work of Orione Care benefits people who are elderly, people who are disabled and people in housing need.

The trustees have considered this matter and have concluded:

1. that the aims of the organisation continue to be charitable;
2. that the aims and the work done give identifiable benefits to individuals in need;
3. that the benefits are for the public, are not unreasonably restricted in any way; and
4. that there is no detriment or harm arising from the aims or activities.

Achievements and Performance

The Charity's activities during the year were:

1. Providing financial support for the Congregation's overseas missions and international projects.
2. Providing spiritual and pastoral services to people in England.
3. Providing good quality social care and housing services.
4. Improving the quality of the charity's housing and care services.
5. Developing the staff who work in the charity's services.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Charity's achievements and performance in relation to the above activities were:

1. Financial Support to the Congregation's Overseas Missions and International Projects.

- £67,586 was provided to support the Congregation's missions and overseas projects including "The Bread of Life". The amount of money that the charity has been able to provide to the overseas missions has declined in recent years, but the trustees would like to increase this when funds allow.

2. Spiritual and Pastoral Services in England

- The Congregation runs a retreat centre in Lancashire.
- Priests of the Congregation run two parishes in Lancashire and two parishes in Middlesex.
- Priests of the Congregation help neighbouring parishes by deputising for local parish clergy.
- Priests of the Congregation provide the Sacraments and spiritual and pastoral support to tenants and residents of the care homes.
- A priest of the Congregation provides an apostolate to the Polish Community in Hampton Wick.

3. Providing Care Homes, Housing and a Day Centre

- The charity runs a residential care home for older people, Cardinal Heenan House in Roby Mill, Lancashire, providing 31 beds.
- The charity ran two residential care homes for people with learning disabilities providing care and accommodation for up to 13 people. During the year, on the 1st July 2019, the care and support provision at one of the homes was transferred to Walsingham Support (registered charity no. 294832)
- A significant criterion for assessing the success of the charity is the rating given to the care homes by the regulator, The Care Quality Commission (CQC). All the charity's residential care homes achieved a "Good" rating from the CQC following their most recent inspections.
- The charity provides 16 units of designated supported housing for people with learning disabilities.
- The charity ran a horticultural and art centre, providing training and day activities for a total of 26 people with disabilities. (Following the year end, in August 2020, the Centre stopped operating and part of its service transferred to our neighbouring care home, Sundial House.)
- The charity provides 63 units of general needs social housing.
- The charity issued three new tenancies during the year and six tenancies were issued to existing tenants who transferred internally.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

4. Improving the Quality of Housing and Care Services

- The charity continued work on the refurbishment of 19/21 Lower Teddington Road, Hampton Wick, and the work was completed in June 2020, after the year end. This project involved the refurbishment of the building including new windows, external repairs and redecoration, underpinning, new bathrooms and kitchens and the creation of three new self-contained units to give a total of ten one-bed flats. The flats were offered to the original tenants, who had moved out for the duration of the work, and nominees from the London Borough of Richmond Council.
- The charity recorded 70 repair orders during the year. Of these two were classed as emergency and were completed on time (within 24 hours); 31 were classed as urgent and were completed on time (within 5 days) and 37 were classed as routine and were completed without undue delay.
- The budget for reactive repairs, planned maintenance, furniture fittings and equipment renewals for 2019/20 was £298,835; the actual expenditure was £351,954.

5. Developing the Staff who Work in the Charity's Services

- The trustees provided an in-house training programme and took steps to ensure that all the care staff received training in certain core areas during their probation period.
- The trustees engaged a consultant to visit monthly and support the senior staff team at Cardinal Heenan House.
- The charity holds the Investors in People quality standard following a successful re-assessment in December 2017.

Complaints

1. During the year a complaint was received from a resident's relative about the standard of care which the resident had received at Cardinal Heenan House. The complaint covered largely the same ground as an earlier complaint which had already been considered. The complainant was told that the complaint would not be reopened, but was advised that there was the option of taking the matter further with the statutory agencies..

2. Anonymous complaints were received about staffing issues and the hot water problems at Cardinal Heenan House. Action was taken to resolve the hot water problem. The staffing issues were investigated as far as was possible whilst respecting the complaints' wishes to remain anonymous.

Review of Compliance with the Rent Standard

In August 2019, the charity commissioned housing consultants Campbell Tickell to advise on the application of the Rent Standard. In the course of their review Campbell Tickell identified issues about the way the rents had been managed over a number of years. This in turn led to a wider review of the charity's compliance with the Rent Standard. Campbell Tickell's final report was presented to the trustees in June 2020 and the report concluded that the charity had not been compliant with the Rent Standard.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The main areas of non-compliance identified were that rents had not been set at the formula rent, some units had been incorrectly excluded from the Rent Standard, a rent increase of 2.5% had been applied in 2015/16, but the guideline limit was 2.2%, and in some years the required rent reduction had not been applied to all units.

The main consequence of the non-compliance was that rents had been overcharged to the value of £151,343 up to the 31st of March 2020. The repayment of this sum has been provided for in the charity's accounts. Approximately £58,000 has so far been repaid to tenants, approximately £24,000 was set against arrears and approximately £60,000 is due as housing benefit refunds. The remainder is due to former or deceased tenants. The trustees shared the Campbell Tickell report with the Regulator of Social Housing in June 2020 and are taking steps to ensure the charity's full future compliance with the Rent Standard.

Internal Controls

The trustees have considered their responsibilities and systems of internal control and agreed that no significant weaknesses or breaches are considered to exist. The charity operates an annual financial planning and budgeting process. The draft budget is prepared by the senior staff team and submitted to the March trustees' meeting for amendment or approval. Written management accounts, reporting actual performance against budget, are presented through the financial year at quarterly trustees' meetings. All major risks to the charity, including cash flow, are continuously monitored by the senior staff team and risk mitigations are developed as necessary.

Financial Review

The presentation of these accounts has changed somewhat from previous years. As a result of comments from Campbell Tickell who undertook the rent review it was decided to modify the accounting convention under which they were produced (see Note 1.1. in the accounts) to comply with both the principles contained in the 'Housing Corp' and those required by charities accounting. In order to comply, more detail has been given on the social housing provided by The Sons. In Note 5 in the accounts, details are given on the number and type of social housing units. In Note 7, details of rent, service charges, and operating costs for social housing lettings are shown separately from other income and operating costs.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

During the year to March 2020 the events which significantly affected the accounts were the following:

- Low occupancy at Cardinal Heenan House
- Advent of Covid 19 virus which led to the closure of the Horticultural Centre.
- Transfer of St John's House to Walsingham Support
- Refurbishment of 19/21 Lower Teddington Road
- The rent review.

The occupancy at Cardinal Heenan House, which was already quite low at 24 residents out of a possible 31, became lower during the year as some residents were transferred to other accommodation which was more suitable to their needs. The occupancy was then at 20 residents when the home locked down a week before the national lockdown on 23 March 2020. The occupancy has hardly changed since that date as the home has followed government guidelines to keep the residents and staff safe.

Covid 19 was responsible in part for the closure of the Horticultural Centre. The Centre had been experiencing falling numbers for some time as local authorities ceased to fund day care provision. As the service users travelled every day to the centre from their different homes it was decided that it was not possible to maintain Covid 19 secure facilities and so the Centre was closed temporarily. After much consideration and the continuance of the national lockdown it was decided to close the Centre permanently. As four residents who lived together at Sundial House attended the Centre it was decided to continue to provide day care in the form of an activities unit for them. This is proving to be very successful.

In July 2019 the operation of St John's house was transferred to another care provider - Walsingham Support. This means that Walsingham is responsible for the care and support of the service users and the management of the staff. Walsingham receives fees from the local authorities and pays all the staff costs and everyday costs of the home such as food and utilities. The Sons still owns the property and is responsible for its upkeep and maintenance. Walsingham pays The Sons a quarterly rent, which, as this was a new venture and the home already had one vacancy, was kept very low. However, as the costs of maintaining the property exceed the rent paid by Walsingham this arrangement may be reviewed.

The refurbishment of 19/21 Lower Teddington Road continued throughout the year to March 2020. During this time the property was vacant resulting in a loss of rental income.

The events outlined above have had considerable impact on the year end results as can be seen on the Consolidated Statement of Comprehensive Income. The total operating income for the year to March 2020 is £2,217,112, as compared with the total for March 2019 of £2,640,120, a reduction of £423,008. Although almost half of this (£223,282) is due to a reduction in legacy and donation income, from £394,151 in 2019, to £170,869 in 2020, as the income received from donations and legacies can vary considerably from year to year; the balance is due to the reduction in fee and rent income.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

As mentioned elsewhere, the rent review by Campbell Tickell discovered that an overcharge of rents in previous years had occurred. An amount of £151,343 for rent refunds has been provided for in the accounts and is included in the total operating expenditure of £2,725,828 shown on the Consolidated Statement of Comprehensive Income for March 2020. As a result of the reduction in income, and increase in expenditure, the operating deficit for the year to March 2020 is £508,716, as compared with a surplus of £112,457 for the year to March 2019.

The Consolidated and Charity Statement of Financial Position shows both the Group position (which includes both the Charity and the Development company) and the Charity only position as at 31 March 2020, compared with these positions as at 31 March 2019. The accompanying notes to the accounts give more detail. Note 18 shows the increase in tangible fixed assets for the Charity by the additions to freehold land and buildings due to the expenditure during the year on the refurbishment of 19/21 Lower Teddington Road. The tangible fixed assets for the Development company has increased by the additions to Assets under Construction due to expenditure on preparations for the start of work on Mulberry Court.

Self-Assessment against the Regulator of Social Housing's Value for Money Metrics

Metric	2020	2019	Comment
		<i>Please note that the prior year metrics have been revised in the light of updated information.</i>	
1. Reinvestment	32.3%	23.2%	<p>This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the total value of properties held.</p> <p>The rate of reinvestment has increased due to the spending by the trading subsidiary on the redevelopment project.</p>
2. New supply delivered	0%	0%	<p>This metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at the period end.</p> <p>No new social housing units or non-</p>

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

			social housing units were acquired or developed during 2019/20.
3. Gearing %	53%	47%	<p>This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.</p> <p>The increase in borrowing during 2019/20 is due to the trading subsidiary agreeing loans to reinvest in the redevelopment of the Orione House site.</p>
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	-480%	-119%	<p>The Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus generated compared to interest payable; the measure avoids distortions stemming from the depreciation charge.</p> <p>In 2019/20 the charity had an operating deficit and had to provide for the repayment of some rents to social housing tenants, whilst the subsidiary trading company borrowed money to redevelop the Orione House site. The trustees expect to see the benefit of the investment in the redevelopment by the end of 2021.</p>
5. Headline social housing cost per unit	£5,004	£4,241	<p>The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator.</p> <p>The Homes and Communities Agency summary report <i>"Delivering Better Value for Money: Understanding differences in Unit Costs"</i> (June 2016) states that a hypothetical baseline social housing provider would have costs per unit of £3,300 based on 100% general needs housing. The report</p>

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

					acknowledges that variations from this figure might be explained by, amongst other things, regional wage differences, housing for older people and supported housing. Our figures are higher than the hypothetical baseline, but our mix of housing is approximately 52% general needs housing, 13% supported housing and 35% residential care.
6. Operating margin %	Social Housing	34.3%	Social Housing	52%	The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The Association has continually faced overall operational deficits due to our dependence on care homes and fragile care home income. Our strategy is to reduce our involvement in running care homes and concentrate on being a housing provider. The operating margin on social housing reduced partly due to 19/21 Lower Teddington Road being void for the year due to extensive refurbishment.
	Overall	-23.5%	Overall	2.4%	
7. Return on capital employed (ROCE)%	-8.5%		1%		This metric compares the operating surplus to total assets less current liabilities to assess the efficient investment of capital resources. This reduced due to the overall deficit for the year.

Reserves Policy

The trustees believe that reserves are required to ensure the continued operation of the charity's care and housing activities. These activities are funded primarily by rental income from tenants, and fees received from local authorities and others under community care arrangements. This income has been relatively secure due to contracts and tenancy agreements in place. It is the trustees' policy to have freely available funds which equate to about three months' expenditure, which is £650,000. The trustees are taking steps to build up the charity's reserves to this level by developing property for sale through its trading subsidiary company, The Sons of Divine Providence Developments Ltd. The designated funds on the balance sheet represent the net book value of fixed assets used for charitable purposes, and surplus from the sale of such assets.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Investments

The charity has a small amount invested in equities. The charity also has some residential property which is viewed as an investment. This property is let to tenants on the open market at market rents in order to generate income for the charity.

Fundraising

The principal sources of funding have been:

- Rents and care home and day centre fees
- Donations and legacies.

No fundraisers have been employed and no fundraising targets were set. A small number of properties are let at market rents in order to generate funds for the charity. The main fundraising activities were a garden fete and raffle at Cardinal Heenan House and appeals in the Catholic press and our own quarterly magazine "The Bridge". Fundraising costs for the year came to £15,413 and donations and legacies totalling £170,869 were received. The charity has registered with The Fundraising Regulator and subscribes to its code of practice.

Risk Management

A risk register is in place setting out the major risks to which the charity is exposed and the systems in place to mitigate these risks. This was reviewed by the trustees most recently at their meeting in December 2020. In addition, the trustees regularly review the cash flow forecast at their meetings.

The major risks identified are:

- Disaster scenarios of fire, floods or other emergencies in one of the properties;
- Serious injury or loss of life to a member of staff or member of the public;
- Reduced ability to provide services due to depletion of staff, for example in the event of a "flu" epidemic, or loss of key staff;
- Depletion of cash resources leaving the charity unable to continue operating;
- Depletion of the charity's assets due to fraud, reduction in the value of investments and deterioration of the charity's properties;
- Safeguarding issues in the charity's care or housing services.
- Risks arising from the handling of personal data with the introduction of the General Data Protection Regulations.

The trustees consider that there are policies, procedures and monitoring systems in place to control the risks identified, and to reduce them to a manageable level. The charity has also purchased insurance policies to mitigate most losses, and these are reviewed annually with the charity's insurance broker.

During the year further risks were identified, in relation to the redevelopment of the Orione House site by the charity's subsidiary trading company, and the financial and health and safety implications of the Coronavirus pandemic.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Development of the Orione House site

The charity's subsidiary trading company, The Sons of Divine Providence Developments Ltd, has borrowed money to complete the re-development of the Orione House site. The potential risks to the charity are that the work does not proceed to completion, or that costs exceed the budget or sales revenue are less than expected, putting at risk the charity's investment in the project.

The risks have been mitigated by loan agreements in place with funders to ensure that there are sufficient funds to complete the project, budget control by the developer, and professional valuations obtained which give confidence with regard to the potential sales revenue. At the current time, the development is on schedule for completion in summer 2021, it is on programme and on budget, and the trustees are confident that sales revenues will be at the anticipated level.

The Coronavirus pandemic

The Corona virus pandemic presents risks to health and life of our service users and staff. The pandemic also presents a financial risk because it is affecting occupancy of Cardinal Heenan House which, we project, will lead to a shortfall in revenue in the region of £250,000 over the 2020/21 financial year.

The pandemic led to the closure of our Molesey Horticultural Centre in March 2020. As restrictions eased we decided to limit the use of the facilities to service users who lived on the site, at Sundial House, so for the majority of service users the service has not re-opened and will not re-open. The trustees expect our other charitable activities to continue.

To mitigate the risks of the pandemic we have followed government guidance on Covid-secure workplaces, personal protective equipment and working from home where possible. The financial risks have been mitigated by taking advantage of government help from the Job Retention Scheme and local authority grants and national infection control grants. The charity has also been approved for a Coronavirus Business Interruption Loan of £420,000, which will be repaid 18 months later with the proceeds of the Mulberry Court project. The trustees believe this loan mitigates the risk of cashflow problems

Plans for the Future

The re-development of the Orione House site by the charity's wholly owned subsidiary trading company, The Sons of Divine Providence Developments Ltd, is on schedule for completion by the summer of 2021. The project will create 28 extra care living apartments for leasehold sale, with a further three apartments due to be created in an adjacent property.

Following the sale of the apartments the subsidiary should be able to repay the charity any money which it invested in the development, plus a share of the profit, and return the freehold to the charity.

THE SONS OF DIVINE PROVIDENCE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

In conjunction with the redevelopment of the Orione House site, the trustees intend to start work during the year on the charity's properties at 23/25/27 Lower Teddington Road. This will include an entrance/reception area for the new development, reordered and improved accommodation for the religious community and possibly three more self-contained flats for sale.

The charity intends to submit a planning application for the redevelopment of its site in East Molesey. The intention is to provide better accommodation for the current occupants, more affordable housing and housing for sale or rent on the private market. The plan will improve and increase the charity's housing stock and put it in a strong financial position for the future.

The charity intends to replace the passenger lift at Pipes Place, the block of flats in Shorne, Kent. The work is programmed for early in 2021 and will cost in the region of £50,000.

When funds allow, the trustees intend to increase their funding of the Congregation's overseas missions. Funding of the overseas missions has been scaled back in recent years due to financial constraints.

Asset Cover for Funds

Note 29 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

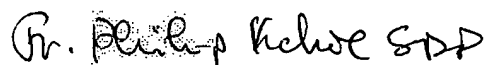
Disclosure of Information to Auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board of Trustees



Fr. Philip Kehoe fdp

Trustee

Dated: 8th December 2020

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020**

The trustees, who are also the directors of The Sons of Divine Providence for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

A combination of Company Law and Charity 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 group and of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

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;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SONS OF DIVINE PROVIDENCE**

Opinion

We have audited the financial statements of The Sons of Divine Providence (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group statement of comprehensive income, group statement of changes in funds, group and charity statement of financial position, the group statement of cash flows and the 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 group's and parent charity's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 group 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 group'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, 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 our 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 directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE SONS OF DIVINE PROVIDENCE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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: <http://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 and section 137 of the Housing and Regeneration Act 2008. 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 auditors' 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.

**Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of HW Fisher**

**Chartered Accountants
Statutory Auditor**

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

10th December 2020
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**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

Current financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes					
Income						
Housing and care services		1,797,098	-	-	-	1,797,098
Day activities		121,110	-	-	-	121,110
Donations and legacies		170,869	-	32,366	-	203,235
Religious congregation		55,740	-	-	-	55,740
Pilgrimages		-	-	22,533	-	22,533
Rent receivable	4	72,295	-	-	-	72,295
Total operating income		2,217,112	-	54,899	-	2,272,011
Expenditure						
Housing and care services	9	2,388,578	19,639	-	-	2,408,217
Day activities	9	151,635	1,978	-	-	153,613
Religious congregation	9	153,912	3,867	-	-	157,779
Missions & pilgrimages	9	11,926	-	55,660	-	67,586
Raising funds	8	15,413	-	-	-	15,413
Other expenditure	14	4,364	-	-	-	4,364
Total operating expenditure		2,725,828	25,484	55,660	-	2,806,972
Operating (deficit)/surplus		(508,716)	(25,484)	(761)	-	(534,961)
Interest receivable		2,890	-	-	-	2,890
Net gains/(losses) on investments	15	11,498	-	-	-	11,498
(Deficit)/surplus for the financial year		(494,328)	(25,484)	(761)	-	(520,573)
Gross transfers between funds	17	(380,820)	589,651	-	(208,831)	-
Total comprehensive (expenditure)/income for the year		(875,148)	564,167	(761)	(208,831)	(520,573)

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

Statement of changes in funds

Fund balances at 1 April 2019	1,015,724	5,529,867	45,199	208,831	6,799,621
Total comprehensive (expenditure)/ income for the year	(875,148)	564,167	(761)	(208,831)	(520,573)
Fund balances at 31 March 2020	140,576	6,094,034	44,438	-	6,279,048

The consolidated statement of comprehensive income includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

Prior financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total
	Notes	2019 £	2019 £	2019 £	2019 £	2019 £
Income						
Housing and care services		1,977,973	-	-	-	1,977,973
Day activities		150,759	-	-	-	150,759
Donations and legacies		394,151	-	10,471	-	404,622
Religious congregation		44,065	-	-	-	44,065
Pilgrimages		-	-	29,751	-	29,751
Rent receivable	4	70,356	-	-	-	70,356
Other income	6	2,816	-	-	-	2,816
Total operating income		2,640,120	-	40,222	-	2,680,342
Expenditure						
Housing and care services	9	2,240,956	41,135	-	-	2,282,091
Day activities	9	134,236	2,265	-	-	136,501
Religious congregation	9	137,201	3,374	-	-	140,575
Missions & pilgrimages	9	8,607	-	40,650	-	49,257
Raising funds	8	6,663	-	-	-	6,663
Total operating expenditure		2,527,663	46,774	40,650	-	2,615,087
Operating (deficit)/surplus		112,457	(46,774)	(428)	-	65,255
Interest receivable		5,558				5,558
Net gains/(losses) on investments	15	2,042	29,922	-	(649)	31,315
(Deficit)/surplus for the financial year		120,057	(16,852)	(428)	(649)	102,128
Gross transfers between funds	17	700,900	(600,900)	-	(100,000)	-
Total comprehensive (expenditure)/income for the year		820,957	(617,752)	(428)	(100,649)	102,128

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

Statement of changes in funds

Fund balances at 1 April 2018	194,767	6,147,619	45,627	309,480	6,697,493
Total comprehensive (expenditure)/ income for the year	<u>820,957</u>	<u>(617,752)</u>	<u>(428)</u>	<u>(100,649)</u>	<u>102,128</u>
Fund balances at 31 March 2019	<u><u>1,015,724</u></u>	<u><u>5,529,867</u></u>	<u><u>45,199</u></u>	<u><u>208,831</u></u>	<u><u>6,799,621</u></u>

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

All income and expenditure derive from continuing activities.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
GROUP SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	All income funds	
	2020	2019
	£	£
Gross income	2,274,901	2,685,900
Gains on investments	11,498	31,964
Transfer from endowment funds	208,831	100,000
	<hr/>	<hr/>
Total income in the reporting period	2,495,230	2,817,864
	<hr/>	<hr/>
Total expenditure from income funds	2,806,972	2,615,087
	<hr/>	<hr/>
Net (expenditure)/income for the year	(311,742)	202,777
	<hr/> <hr/>	<hr/> <hr/>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

		Group		Charity	
	Notes	2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible assets	18	9,768,958	6,419,610	6,067,954	5,091,803
Investment properties	19	1,276,711	1,276,711	1,276,711	1,276,711
Investments	20	13,418	251,267	13,418	251,267
		<u>11,059,087</u>	<u>7,947,588</u>	<u>7,358,083</u>	<u>6,619,781</u>
Current assets					
Debtors	21	141,767	153,131	4,062,062	4,218,207
Cash at bank and in hand		573,100	1,111,158	549,353	1,093,141
		<u>714,867</u>	<u>1,264,289</u>	<u>4,611,415</u>	<u>5,311,348</u>
Creditors: amounts falling due within one year	22	(391,928)	(2,412,256)	(388,178)	(243,402)
Net current assets		<u>322,939</u>	<u>(1,147,967)</u>	<u>4,223,237</u>	<u>5,067,946</u>
Total assets less current liabilities		<u>11,382,026</u>	<u>6,799,621</u>	<u>11,581,320</u>	<u>11,687,727</u>
Creditors: amounts falling due after more than one year	23	(4,951,635)	-	-	-
Provisions for liabilities					
Provisions		(151,343)	-	(151,343)	-
Net assets		<u>6,279,048</u>	<u>6,799,621</u>	<u>11,429,977</u>	<u>11,687,727</u>
Capital funds					
Endowment funds	26	-	208,831	-	208,831
Income funds					
Restricted funds		44,438	45,199	44,438	45,199
Unrestricted funds					
Designated funds	28	6,094,034	5,529,867	7,344,665	6,368,514
General unrestricted funds		140,576	1,015,724	4,040,874	5,065,183
		<u>6,234,610</u>	<u>6,545,591</u>	<u>11,385,539</u>	<u>11,433,697</u>
		<u>6,279,048</u>	<u>6,799,621</u>	<u>11,429,977</u>	<u>11,687,727</u>

The charitable company's net deficit for the year was £255,641 (2019: surplus of £4,990,234)

The financial statements were approved by the Trustees on 8 December 2020

Rev. Philip Kehoe SPP

Rev Philip Kehoe
Trustee

Company Registration No. 4249759

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	34		(268,575)		102,097
Investing activities					
Purchase of tangible fixed assets		(3,387,696)		(1,567,171)	
Proceeds on disposal of tangible fixed assets		8,500		4,433	
Proceeds on disposal of investments		249,347		100,000	
Rental income and interest received		75,185		75,914	
Net cash used in investing activities			(3,054,664)		(1,386,824)
Financing activities					
Bank loans		2,785,181		2,166,454	
Net cash generated from financing activities			2,785,181		2,166,454
Net (decrease)/increase in cash and cash equivalents			(538,058)		881,727
Cash and cash equivalents at beginning of year			1,111,158		229,431
Cash and cash equivalents at end of year			573,100		1,111,158

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

Charity information

The Sons of Divine Providence is a private company limited by guarantee incorporated in England and Wales. The registered office is 13 Lower Teddington Road, Hampton Wick, Kingston Upon Thames, Surrey, KT1 4EU, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charitable company's Memorandum & Articles and the Companies Act 2006. These financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the National Housing Federation in September 2018) - the "Housing SORP". The financial statements include a Statement of Comprehensive Income based on the principles contained in the Housing SORP 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019), where this does not conflict with the Housing SORP. Specifically, designated funds are shown separately, in common with many charities, to distinguish between reserves held in fixed assets and current assets. The Charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Covid-19 Pandemic has had an adverse financial effect on the charity, primarily in relation to the projected loss of revenue for Cardinal Heenan House residential care home, due to reduced occupancy. The trustees estimate that the loss of revenue will be in the region of £250,000 for 2020/21. In addition, there have been increased costs due staff sickness and staff self-isolating. The charity has taken advantage of UK Government assistance through the furlough scheme, and grants to cover the increased cost of personal protective equipment. The charity has also been offered a government-backed Coronavirus Business Interruption Loan from the HSBC Bank, to be repaid in 2021/22 from the proceeds of the Mulberry Court development.

The Covid-19 Pandemic has not significantly affected the budget or the programme for the Mulberry Court development. The subsidiary trading company, The Sons of Divine Providence Developments Ltd, has loan agreements in place to ensure that the building works will continue to their scheduled completion in summer 2021. Consequently, the trustees believe that at the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Government grant income for furloughed staff is recognised on entitlement i.e. in the month to which it relates.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure including redundancy and termination payments is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure is classified under the following activity headings;

Cost of raising funds comprise those costs associated with attracting voluntary income.

Expenditure relating to Housing & Care Services, Day Activities, Religious Delegation and Missions are those elements of expenditure directly incurred in performing these activities. It also includes allocated governance costs relating to this activity.

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.

1.6 Tangible fixed assets

Tangible fixed assets (including housing properties) are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Altar and stained glass	Disposed of in 2020
Fixtures, fittings and equipment	10% straight line
Motor vehicles	25% reducing balance

The charity has an annual maintenance schedule in order to maintain the residual value of the freehold land & buildings. As a result, the charity does not recognise depreciation on these assets. Total maintenance expenditure in the current year amounted to £351,954 (2019: £325,818).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year. The Charity's properties were acquired many years ago and it is not possible to separate the land and building elements.

Assets under construction comprise properties held by the Charity's subsidiary companies. These assets are included at cost including borrowing costs incurred by the subsidiaries.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include only cash in hand.

1.11 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.16 Cyclical repairs and maintenance

Due to the number of properties held and the establishment of regular programmes of repair and maintenance, the Charity charges actual costs incurred to the income and expenditure account.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

1.17 Basis of consolidation

The consolidated financial statements incorporate those of The Sons of Divine Providence and its subsidiaries (i.e. the entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

In addition, the accounts include an evaluation of investment property. The fair value of the investment property has been arrived at on the basis of a valuation carried out by a firm of Chartered Surveyors in November 2017 made on an open market value basis by reference to market evidence of transaction prices for similar properties.

3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	42,227	32,366	74,593	54,078	10,471	64,549
Legacies receivable	128,642	-	128,642	340,073	-	340,073
	<u>170,869</u>	<u>32,366</u>	<u>203,235</u>	<u>394,151</u>	<u>10,471</u>	<u>404,622</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

4 Rent receivable

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Rental income from investment property	72,295	70,356

5 Residential units owned and managed

Social Housing Units Owned and Managed by The Sons of Divine Providence

	Number of Units 1 st April 2019	Number of Units 31 st March 2020
General Needs (social rent)	55	55
Specialist Supported Living	8	8
Designated Specialist Supported Living	16	16
Care Homes Providing Personal Care (beds)	44	44
Housing for Older People	0	0
Low Cost Home Ownership	0	0
Social Housing managed by another body	0	0
Social Housing managed on behalf of another body	0	0

6 Other income

	Total 2020 £	Unrestricted funds general 2019 £
Net gain on disposal of tangible fixed assets	-	2,816

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

7 Income/Service charges

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in England and Wales.

For the year ended 31 March 2020

	Turnover	Operating costs	Operating surplus / (deficit)
<i>Social housing lettings</i>			
Rent	379,848	(223,369)	156,479
Service charges	75,773	(75,773)	-
	<u>455,621</u>	<u>(299,142)</u>	<u>156,479</u>
<i>Other income</i>			
Other Housing income	1,336,916	(2,108,878)	(771,962)
Government Grant - Furlough	4,561	(4,561)	-
Day activities	121,110	(153,613)	(32,503)
Donations and legacies	225,768	(82,999)	142,769
Religious congregation	55,740	(157,779)	(102,039)
Private rental income	72,295	-	72,295
	<u>1,816,390</u>	<u>(2,507,830)</u>	<u>(691,440)</u>
	<u>2,272,011</u>	<u>(2,806,972)</u>	<u>(534,961)</u>

For the year ended 31 March 2019

	Turnover	Operating costs	Operating surplus / (deficit)
<i>Social housing lettings</i>			
Rent	422,048	(164,846)	257,202
Service charges	72,812	(72,812)	-
	<u>494,860</u>	<u>(237,658)</u>	<u>257,202</u>
<i>Other income</i>			
Other Housing income	1,483,113	(2,044,433)	(561,320)
Day activities	150,759	(136,501)	14,258
Donations and legacies	437,189	(55,920)	381,269
Religious congregation	44,065	(140,575)	(96,510)
Private rental income	70,356	-	70,356
	<u>2,185,482</u>	<u>(2,377,429)</u>	<u>(191,947)</u>
	<u>2,680,342</u>	<u>(2,615,087)</u>	<u>65,255</u>

Rent void losses are not material and are netted off in the above figures for 2019 and 2020

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

8 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Fundraising and publicity</u>		
Fundraising events	15,413	6,663
	<u>15,413</u>	<u>6,663</u>

9 Analysis of expenditure

	Housing and care services 2020 £	Day activities 2020 £	Religious congregation 2020 £	Missions & pilgrimages 2020 £	Total 2020 £	Total 2019 £
Staff costs	1,452,126	120,178	21,698	-	1,594,002	1,651,825
Depreciation and impairment	19,639	1,978	3,867	-	25,484	46,774
Rates	60,650	2,600	3,371	-	66,621	53,683
Insurance	55,605	3,600	3,620	-	62,825	55,674
Light and heat	60,151	3,434	11,149	-	74,734	74,911
Repairs, maintenance and equipment	316,325	13,259	22,370	-	351,954	325,818
Postage, stationery and telephone	14,915	1,739	21,681	-	38,335	42,732
Motor and travel	19,138	913	22,725	-	42,776	46,704
Legal and professional	96,464	1,609	976	-	99,049	50,378
Staff training and recruitment	21,016	923	-	-	21,939	23,663
Food and provisions	51,315	415	19,907	-	71,637	83,429
Other direct costs	56,985	2,965	26,415	67,586	153,951	128,891
Provision for refund of rent overcharges	151,343	-	-	-	151,343	-
	<u>2,375,672</u>	<u>153,613</u>	<u>157,779</u>	<u>67,586</u>	<u>2,754,650</u>	<u>2,584,482</u>
Share of governance costs (see note 11)	32,545	-	-	-	32,545	23,942
	<u>2,408,217</u>	<u>153,613</u>	<u>157,779</u>	<u>67,586</u>	<u>2,787,195</u>	<u>2,608,424</u>
Analysis by fund						
Unrestricted funds - general	2,388,578	151,635	153,912	11,926	2,706,051	2,521,000
Unrestricted funds - designated	19,639	1,978	3,867	-	25,484	46,774
Restricted funds	-	-	-	55,660	55,660	40,650
	<u>2,408,217</u>	<u>153,613</u>	<u>157,779</u>	<u>67,586</u>	<u>2,787,195</u>	<u>2,608,424</u>

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

9 Analysis of expenditure

(Continued)

For the year ended 31 March 2019

	Housing and care services	Day activities	Religious congregation	Missions & pilgrimages	Total 2019
	£	£	£	£	£
Staff costs	1,531,162	101,488	19,175	-	1,651,825
Depreciation and impairment	41,135	2,265	3,374	-	46,774
Rates	46,648	3,745	3,290	-	53,683
Insurance	48,654	3,500	3,520	-	55,674
Light and heat	61,590	2,517	10,804	-	74,911
Repairs, maintenance and equipment	283,935	16,053	25,830	-	325,818
Postage, stationery and telephone	19,847	1,214	21,671	-	42,732
Motor and travel	21,094	3,280	22,330	-	46,704
Legal and professional	48,933	1,000	445	-	50,378
Staff training and recruitment	23,373	290	-	-	23,663
Food and provisions	65,256	417	17,756	-	83,429
Other direct costs	66,522	732	12,380	49,257	128,891
	<u>2,258,149</u>	<u>136,501</u>	<u>140,575</u>	<u>49,257</u>	<u>2,584,482</u>
Share of governance costs (see note 11)	23,942	-	-	-	23,942
	<u>2,282,091</u>	<u>136,501</u>	<u>140,575</u>	<u>49,257</u>	<u>2,608,424</u>
Analysis by fund					
Unrestricted funds - general	2,240,956	134,236	137,201	8,607	2,521,000
Unrestricted funds - designated	41,135	2,265	3,374	-	46,774
Restricted funds	-	-	-	40,650	40,650
	<u>2,282,091</u>	<u>136,501</u>	<u>140,575</u>	<u>49,257</u>	<u>2,608,424</u>

10 Description of charitable activities

Housing and care services

Housing and care services comprises the provision of care homes and independent housing for those with learning disabilities and the elderly.

Day activities

The day activities are provided by the Molesey Horticultural Day Centre for people with learning disabilities to give them the opportunity to learn horticultural skills, woodwork and other crafts on a day basis.

Religious congregation

The above costs relate to living expenses of the religious community in the UK.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

11 Auditors remuneration (governance costs)

	2020 £	2019 £
Audit fees	16,545	16,892
Accountancy	16,000	7,050
	<u>32,545</u>	<u>23,942</u>

Payments to the auditors comprise £16,545 (2019: £16,892) for audit fees and £16,000 (2019: £7,050) for accountancy fees. In addition, the auditors provided general advice of £13,080 (2019: £6,898).

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Religious trustees live in property owned by the charity to enable them to carry out their duties. This is allowed for in the memorandum and articles of the company. Trustees were reimbursed £136 for travel expenses incurred during the year (2019: £292).

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Wardens, cleaners and care staff	50	53
Maintenance	4	4
Administration	10	9
	<u>64</u>	<u>66</u>

Employment costs

	2020 £	2019 £
Wages and salaries	1,445,787	1,497,846
Social security costs	102,022	108,278
Other pension costs	46,193	45,701
	<u>1,594,002</u>	<u>1,651,825</u>

The chief executive officer left part way through the year. Salary payments of £48,362 (including NI) were made to the chief executive officer during the year. The post of chief executive officer has not yet been filled and the trustees are conducting a review of the charity's management structure.

Included within wages and salaries are temporary staff of £132,470 (2019: £83,189), and key management remuneration amounting to £220,048 (2019: £240,797). There were no employees whose annual remuneration was £60,000 or more.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

14 Other expenditure

	Unrestricted funds general 2020 £	Total 2019 £
Net loss on disposal of tangible fixed assets	4,364	-

15 Net gains/(losses) on investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Endowment funds 2019 £	Total 2019 £
Revaluation of investments	11,498	2,042	-	(649)	1,393
Revaluation of investment properties	-	-	29,922	-	29,922
	11,498	2,042	29,922	(649)	31,315

16 Surplus / (Deficit) for the year is stated after charging:

	2020 £	2019 £
Operating leases	5,472	5,472
Depreciation	25,484	46,774
Auditors remuneration	16,545	16,892

17 Transfers

Transfers represent the release of the expendable endowment fund and the re-statement of the fixed asset and investment funds. In addition, the value of fixed assets is offset by the bank loans.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

**18 Tangible fixed assets
Group**

	Freehold land and buildings	Altar and stained glass	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2019	5,704,403	20,365	1,327,807	854,414	84,197	7,991,186
Additions	986,412	-	2,373,197	4,382	23,705	3,387,696
Disposals	-	(20,365)	-	-	(12,005)	(32,370)
At 31 March 2020	6,690,815	-	3,701,004	858,796	95,897	11,346,512
Depreciation and impairment						
At 1 April 2019	672,535	19,506	-	826,685	52,850	1,571,576
Depreciation charged in the year	-	-	-	15,027	22,462	37,489
Eliminated in respect of disposals	-	(19,506)	-	-	(12,005)	(31,511)
At 31 March 2020	672,535	-	-	841,712	63,307	1,577,554
Carrying amount						
At 31 March 2020	6,018,280	-	3,701,004	17,084	32,590	9,768,958
At 31 March 2019	5,031,868	859	1,327,807	27,729	31,347	6,419,610

During the year £312,112 (2019 - £105,034) of interest costs directly attributable to the financing of assets under construction were capitalised. The total capitalised interest at 31 March 2020 was £417,146 (2019 - £105,034).

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

18 Tangible fixed assets

(Continued)

Charity

	Freehold land and buildings	Altar and stained glass	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2019	5,704,403	20,365	854,414	84,197	6,663,379
Additions	986,412	-	4,382	23,705	1,014,499
Disposals	-	(20,365)	-	(12,005)	(32,370)
At 31 March 2020	6,690,815	-	858,796	95,897	7,645,508
Depreciation and impairment					
At 1 April 2019	672,535	19,506	826,685	52,850	1,571,576
Depreciation charged in the year	-	-	15,027	22,462	37,489
Eliminated in respect of disposals	-	(19,506)	-	(12,005)	(31,511)
At 31 March 2020	672,535	-	841,712	63,307	1,577,554
Carrying amount					
At 31 March 2020	6,018,280	-	17,084	32,590	6,067,954
At 31 March 2019	5,031,868	859	27,729	31,347	5,091,803

19 Investment property

Group and charity	2020
	£
Fair value	
At 1 April 2019 and 31 March 2020	1,276,711

Investment property comprises Pipes Place, Shorne, Kent, DA12 3DP. The fair value of the investment property has been arrived at, by the trustees, on the basis of a valuation carried out in November 2017 by Gerald Eve LLP Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees are of the opinion that there has been no material change in the value of the property. The revalued element of the property is £954,393 (2019: £954,393).

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

**20 Fixed asset investments
Group and charity**

**Listed investments
£**

Cost or valuation	
At 1 April 2019	251,267
Valuation changes	11,498
Disposals	(249,347)
At 31 March 2020	13,418
Carrying amount	
At 31 March 2020	13,418
At 31 March 2019	251,267

21 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Arrears of local authority and resident contributions	72,472	79,642	72,472	79,642
Other debtors	32,877	35,027	14,857	19,291
Prepayments and accrued income	36,418	38,462	36,418	38,462
	<u>141,767</u>	<u>153,131</u>	<u>123,747</u>	<u>137,395</u>
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	-	-	3,938,315	4,080,812
Total debtors	<u>141,767</u>	<u>153,131</u>	<u>4,062,062</u>	<u>4,218,207</u>

The interest the subsidiary (Sons of Divine Providence Developments Limited) has to pay to the parent charity on the intercompany balance above is 1% above the Contract Rate from the date of completion of the sale of the land which was 4th October 2018. The Contract Rate is 4% p.a. above the base rate of Barclays Bank. The Parent Charity has a fixed and floating charge over the assets of the subsidiary company. Developments' debt to the Charity ranks below debts to lenders as set out in a Deed of Priority dated 10th January 2020.

**THE SONS OF DIVINE PROVIDENCE
(ORIONE CARE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

22	Creditors: amounts falling due within one year	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
	Bank loans	-	2,166,454	-	-
	Other taxation and social security	53,557	59,365	53,557	59,365
	Trade creditors	5,750	18,087	5,750	18,087
	Other creditors	99,900	133,160	99,900	133,160
	Accruals and deferred income	232,721	35,190	228,971	32,790
		<u>391,928</u>	<u>2,412,256</u>	<u>388,178</u>	<u>243,402</u>

23	Creditors: amounts falling due after more than one year		
		2020	2019
	Notes	£	£
	Bank loans	4,951,635	-

Sons of Divine Providence Developments has two loan arrangements. A loan of £3,500,000 refinanced the existing debt and is in the form of discounted loan notes which were issued in January 2020 with a maturity date of April 2022 including interest to 31st March 2020 of £312,112 at an effective interest rate of 20%. The second loan is drawn down monthly to fund the building development and is at a minimum of 6.75% per annum. This loan is also due for repayment by April 2022. The loans are secured over the assets of the subsidiary company.

24	Provisions for liabilities	2020	2019
		£	£
	Rent overcharge provision	<u>151,343</u>	<u>-</u>

During the year the charity commissioned a review of how it had applied the Rent Standard. The review identified that the charity had not fully complied with the Rent Standard and, over a period of years, had overcharged some tenants in its social housing. The charity is implementing the recommendations of the review, including a refund of rent to the affected tenants, and has provided in the accounts for the full refund figure.

25 Retirement benefit schemes

Defined contribution schemes

The group operates two defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the charity in independently administered funds.

The charge to profit or loss in respect of defined contribution schemes was £46,193 (2019 - £45,701).

**THE SONS OF DIVINE PROVIDENCE
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26 Endowment funds

Group and charity

The capital funds of the charity include endowment funds comprising the following held on trust for specific purposes:

	Balance at 1 April 2018	Incoming resources	Movement in funds			Balance at 1 April 2019	Incoming resources	Movement in funds			Balance at 31 March 2020
	£	£	Revaluation	Transfers	Revaluations gains and losses	£	£	Revaluation	Transfers	Revaluations gains and losses	£
Permanent endowments											
Nicolina Capaldi	309,480	-	(649)	(100,000)	-	208,831	-	-	(208,831)	-	-
	<u>309,480</u>	<u>-</u>	<u>(649)</u>	<u>(100,000)</u>	<u>-</u>	<u>208,831</u>	<u>-</u>	<u>-</u>	<u>(208,831)</u>	<u>-</u>	<u>-</u>

The endowment fund represents the residuary estate of Nicolina Capaldi the capital of which can be held as an investment. The income arising from the fund can be used for the general purposes of the charity or for the benefit of the poor in third world countries. The will includes the clause that if the trustees are of the view that it is no longer practicable to retain the capital then the capital may be expended as if it were income on the general purposes of the charity but with the donors wish that they would prefer it used for the benefit of the poor in third world countries.

During the year the trustees agreed to convert the remaining £208,831 (2019: £100,000) to income, in order to assist with cash flow.

**THE SONS OF DIVINE PROVIDENCE
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27 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£	£
Bread of Life (Child Sponsorship)	21,019	10,471	(8,050)	23,440	32,366	(29,715)	26,091
FODO Pilgrimages	24,608	29,751	(32,600)	21,759	22,533	(25,945)	18,347
	<u>45,627</u>	<u>40,222</u>	<u>(40,650)</u>	<u>45,199</u>	<u>54,899</u>	<u>(55,660)</u>	<u>44,438</u>

Bread of Life supports poor children in the developing nations by providing food, water, clothing, medicine, education and life skill training. Fodo is taken from the Friends of Don Orione and each year the friends sponsor a pilgrimage to either The Holy Land, Rome or the religious sites of Italy.

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FOR THE YEAR ENDED 31 MARCH 2020**

**28 Designated funds
Group and charity**

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

	Balance at 1 April 2018	Expenditure	Transfers	Revaluations, gains and losses	Balance at 1 April 2019	Expenditure	Transfers	Balance at 31 March 2020
	£	£	£	£	£	£	£	£
Fixed assets	4,900,830	(46,774)	(600,900)	-	4,253,156	(25,484)	589,651	4,817,323
Investment property fund	1,246,789	-	-	29,922	1,276,711	-	-	1,276,711
	<u>6,147,619</u>	<u>(46,774)</u>	<u>(600,900)</u>	<u>29,922</u>	<u>5,529,867</u>	<u>(25,484)</u>	<u>589,651</u>	<u>6,094,034</u>

The Fixed asset fund represents the net book value of fixed assets held by the Charity at the year end less the related loan balances.

The investment property fund represents the value of Pipes Place in Shorne. Flats in the property are let to tenants at market rents.

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29 Analysis of net assets between funds:

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:										
Tangible assets	-	9,768,958	-	-	9,768,958	-	6,419,610	-	-	6,419,610
Investment properties	-	1,276,711	-	-	1,276,711	-	1,276,711	-	-	1,276,711
Investments	13,418	-	-	-	13,418	42,436	-	-	208,831	251,267
Current assets/(liabilities)	278,501	-	44,438	-	322,939	973,288	(2,166,454)	45,199	-	(1,147,967)
Long term liabilities	-	(4,951,635)	-	-	(4,951,635)	-	-	-	-	-
Provisions	(151,343)	-	-	-	(151,343)	-	-	-	-	-
	<u>140,576</u>	<u>6,094,034</u>	<u>44,438</u>	<u>-</u>	<u>6,279,048</u>	<u>1,015,724</u>	<u>5,529,867</u>	<u>45,199</u>	<u>208,831</u>	<u>6,799,621</u>

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30 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	5,472	5,472
Between two and five years	21,888	21,888
In over five years	4,243	9,730
	<u>31,603</u>	<u>37,090</u>

31 Capital commitments

The Sons of Divine Providence Developments Ltd (the Charity's trading subsidiary) has a contracted commitment for the redevelopment of the Orione House care home site, to be known as Mulberry Court, and 29 Lower Teddington Road. The construction costs are £8,542,000 plus fees and charges. The completion of the building works will be financed by loans agreed with lenders.

The Sons of Divine Providence (the Charity) has a commitment for the redevelopment of 19, 21, 23, 25 and 27 Lower Teddington Road. The budget for the works is £3,436,436. The works will be funded in part by loans to be negotiated.

The charity also has a commitment under a Section 106 Agreement with Richmond Council to convert 13 Lower Teddington Road into social housing by September 2025. The charity has not yet entered into any contracts for this work.

32 Related party transactions

In October 2018, The Sons of Divine Providence (parent charity) sold Orione House and 29 Lower Teddington Road, Hampton Wick to its subsidiary, The Sons of Divine Providence Developments Limited, for £4,760,000. This was externally valued by Cushman and Wakefield Chartered Surveyors, who are not connected with the charity. There were no other disclosable related party transactions during the year (2019: £nil). Transactions with subsidiaries are described in note 33.

33 Subsidiaries

Details of the charity's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Sons of Divine Providence Developments Limited	England and Wales	Property development	Ordinary	100
SDP Ventures Limited	England and Wales	Dormant	Ordinary	100

During the period management charges of £43,750 (2019: £200,000) were recharged to Sons of Divine Providence Developments Limited in accordance with the agreement for sharing of head office facilities and staff time. During the year expenditure incurred on behalf of the subsidiary and charged to the intercompany account amounted to £195,166 (2019: £207,039). Sons of Divine Providence Developments Limited repaid the Charity £600,000 (2019: £1,202,885) during the year and interest totalling £234,771 (2019: £125,706) was charged on the loan balance. In the prior year, with Charity Commission approval, land owned by the Charity was sold to the subsidiary for £4,760,000.

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33 Subsidiaries

(Continued)

The Charity's subsidiaries are limited companies wholly owned by the parent charity as noted above. The companies are not registered charities, nor are they registered social landlords. The Sons of Divine Providence Developments Ltd was established to redevelop the site of the former Orione House care home and 29 Lower Teddington Road. SDP Ventures Ltd was established to carry out the proposed re-development of the Molesey Venture site to provide improved accommodation for current tenants and residents, plus additional social and market housing.

The net liabilities of The Sons of Divine Providence Developments Limited at the end of the reporting period were £30,451 (2019: net liabilities £2,400). During the year, The Sons of Divine Providence Developments Limited made an operating loss of £28,052 (2019: deficit £2,400), incorporating turnover of £nil and administrative expenses of £28,052 (2019: £2,400.)

The net assets of SDP Ventures Limited at the end of the reporting period are £nil and made an operating loss of £nil with no turnover and expenditure incurred during the year. The company is currently dormant.

Sons of Divine Providence Developments Limited	2020	2019
Fixed assets - Tangible	8,821,481	6,213,513
Current assets	41,768	33,753
Creditors: amounts falling due within one year	(3,750)	(2,168,854)
Creditors: amounts falling due after one year	(8,889,950)	(4,080,812)
Net liabilities	(30,451)	(2,400)

34 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year	(520,573)	102,128
Adjustments for:		
Investment income recognised in statement of financial activities	(75,185)	(75,914)
Loss/(gain) on disposal of tangible fixed assets	4,364	(2,816)
Fair value gains and losses on investment properties	-	(29,922)
Fair value gains and losses on investments	(11,498)	(1,393)
Depreciation and impairment of tangible fixed assets	25,484	46,774
Movements in working capital:		
Decrease in debtors	11,364	42,301
Increase in creditors	146,126	20,939
Increase in provisions	151,343	-
Cash (absorbed by)/generated from operations	(268,575)	102,097

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35 Analysis of changes in net (debt)/funds

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	1,111,158	(538,058)	573,100
Loans falling due within one year	(2,166,454)	2,166,454	-
Loans falling due after more than one year	-	(4,951,635)	(4,951,635)
	<u>(1,055,296)</u>	<u>(3,323,239)</u>	<u>(4,378,535)</u>