

**It all adds up to**

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**Livability**

# **Annual Report and Accounts 2019-2020**

**Registered Charity 1116530  
Company Registration Number 5967087**

## A message from our Patron HRH The Princess Royal



BUCKINGHAM PALACE

As Patron, I have been able to see how over time Livability develops and changes. This year the charity rose to the continuing sector-wide challenges to ensure the people it supports receive the very best in the quality of service.

During the last year I was able to see some of Livability's work at first hand, including a residential care home that has been highlighted as a beacon of independent living. For this reason it has been granted an "Outstanding" rating by the Care Quality Commission, a rating enjoyed by only 3% of those inspected.

I was also impressed during my visit to another award-winning part of the organisation – this was Livability's Brain Injury Rehabilitation Centre. Here I witnessed some of the UK's newest therapies being used to help people on their road to recovery from accidents and strokes. The pioneering spirit and practical innovation Livability uses to support people with disabilities is admirable.

I look forward to seeing the charity continue to develop, delivering its mission to ensure that people with disabilities can have lives that "add up" for them. I thank and congratulate all staff, volunteers and donors on their achievements during another industrious year.

A handwritten signature in black ink, appearing to read 'Anne'.

## **A message from Livability's Chair of Trustees and Chief Executive Officer**

It is a pleasure to present the Livability Annual Report for the year 2019-2020. If there is nothing so constant as change, then this year has been a very significant example of it.

As regular supporters will know, Livability works alongside people with disabilities in three ways. First, in our special education School and College, second in our Adult Social Care Services and thirdly in our Rehabilitation Services. The scholars, students, clients and people we support reach us through a variety of means and with a wide range of disabilities, some physical and some intellectual. Once with Livability though, there is one thing they all share – choice: choice about how to live a life that adds up for them.

From finance to philanthropy and from enabling support worker to safeguarding lead, everyone in the charity places the person we support at the centre of his or her work. This year there has been no let-up in the level of true endeavour from staff and volunteers, as you will read in the pages that follow.

In September 2019 we began several new initiatives. 'One Livability' seeks to allow the sometime disparate parts of the organisation to resonate as one; it creates one brand from several previous entities. It also harmonises levels of pay and conditions. We anticipate that we will be reporting further on this next year.

You will also notice a change in style of this report as we seek to use plain English and shorter sentences to explain who we are and what we do. We call this 'simplicity rules' and we remind ourselves of it when we write reports, produce job descriptions, initiate new policies, and even in the choice of our job titles.

We live in challenging times and, like many organisations in the social care and special education sector, we experience financial constraints and see our resources stretched. Livability continues to meet these challenges head on, showing renewed determination to increase our income and expand our services – more on this subject later in the report, too.

This time last year, we were introducing you to our organisational values and explaining how they link with our rich Christian heritage. These have now become 'business as usual'. We remain proud to be Inclusive, Open, Enabling and Courageous. You will see some great examples of these values in practice as you delve deeper into this report.

Please be assured of our continued gratitude and huge appreciation of all who support us in prayer and action.



Kate Clare

Chair of Trustees



Sally Chivers

CEO

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## **Trustees Report**

### **Principal activities, core values and objects**

#### **About Livability**

Livability exists to support people with disabilities to live a life that adds up for them. Working with those inspirational people, we dismantle barriers and create wellbeing and inclusion for all. We deliver a wide range of care, education, vocation and rehabilitation services, and grow community connections.

#### **Our vision**

Inspired by the Christian faith, our vision is of a barrier-free society where all people can flourish and participate.

#### **What motivates us to act**

We find barriers continue to be present for people with disabilities: there is evidence that barriers can exist in relation to obtaining employment, to learning, to having a safe place to live, to receiving appropriate care and support. Above all, we seek to remove obstacles to choice and to provide full participation. Everyone has the right to use his or her talents, skills and gifts in fruitful ways and to participate in ways of their own choosing.

#### **Livability – It all adds up**

As a charity, we enable each person we support to put the elements in place for a life that ‘adds up’ for each of them. Of course, what makes life livable is never down to just one thing - it’s the sum of many things. From friendship to fun; from companionship to community; from a great chat to a challenge overcome – it all adds up to Livability.

Through the approach we take, the services we deliver and the values we live by, we commit to connecting people with their community, working for inclusion, promoting wellbeing and creating a life that adds up for each supported child, young person or adult.

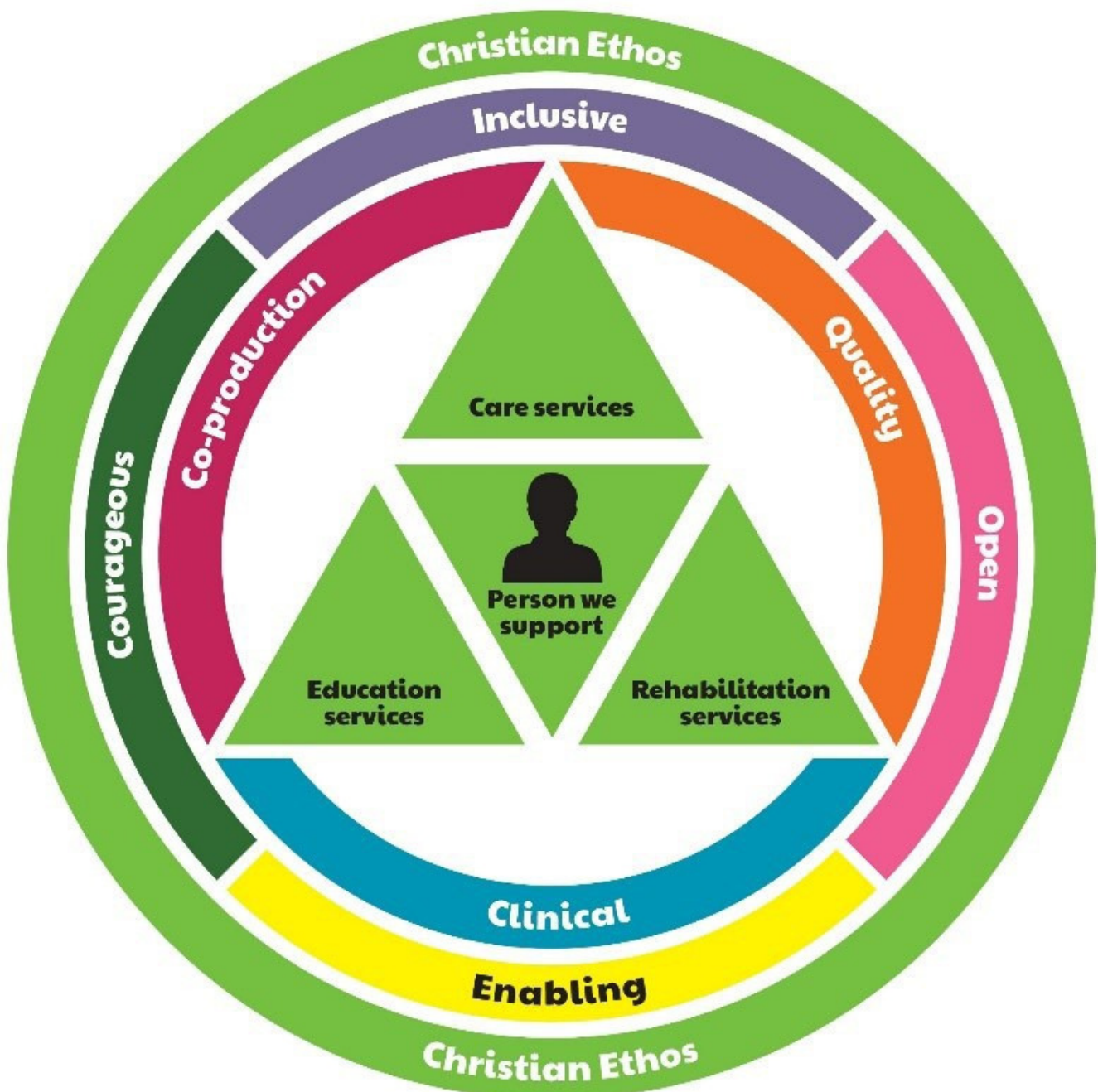
#### **Our Christian ethos**

Our Christian ethos is in our DNA – it’s why we were founded 170+ years ago and it’s why we still exist today. We remain as inspired and challenged as our founders were by the radical message of Jesus Christ. However, we are clear that Livability welcomes people from all faiths and none.

Beyond our work with local authorities and Clinical Commissioning Groups (CCGs), we partner with people and organisations who share our core values, particularly with local churches, faith groups, and corporate businesses.

Our distinctiveness is shaped by our values - being open and inclusive; being enabling for those we support and for our staff, and being further defined by our courage.

Livability is delighted to have as its President The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury. Livability is honoured to have as its Patron HRH The Princess Royal.



## **Our impact in 2019–20: seen through our values**

Our values and ethos underpin our work.

### **We are Open**

- We have been open with our workforce about the structure we need to deliver our strategic goals; we have made plans for a large restructure. As a consequence of the Covid-19 crisis, the new restructure will have to take the Covid-19 crisis into account.
- We are open and honest with our regulators, commissioners and stakeholders; if we cannot provide a quality service on given terms, we say so.
- This year we set up our Staff Forum, consisting of representatives (champions) from every directorate in the charity. These champions play a significant role in shaping our consultation processes as we transform the organisation.
- Our CEO championed the launch of our Wellbeing Strategy and our innovative staff have generated great ideas during the second half of the year.

### **We are Inclusive**

- We have created the role of Co- production & Best Practice Lead; this individual will challenge us to prove that the people we support are at the heart of all we do.
- We have piloted a new Digital Care System; this enables us to produce care plans with input from all those who matter the most. We champion the ‘nothing about me without me’ campaign with passion.
- Our ‘One Livability’ initiative started this year. It inspires us to bring together all strands of our organisation and to work collectively for our greater good.
- The percentage of our workforce that identifies as BME is 9.6%, of which 2.77% have declared themselves to have a disability – a slight reduction of 0.56% since last year.



- We aim to increase the number of people with disabilities who work for us. As a Disability Confident Employer (Level 2), we commit to making adjustments to meet the needs of job applicants, employees and we work with our staff to ensure that they are able to remain in employment. We work with our staff to ensure that they are able to remain in employment. We have more to do to promote employment of people with disabilities in the charity.

### **We are Enabling**

- We have embedded assistive technology in many of our care and education services; this enables all those we support to be as independent as possible, in ways of their own choosing.
- We enable our managers to become leaders through our Leadership Programme.
- This year we produced our Learning & Development Strategy, introducing the concept of a learner's journey to support the growth and development of every employee.
- Our People Plan is based on the premise that when our employees demonstrate the right skills, they are likely to provide the best outcomes for those we support. They are also more likely to meet the requirements of our complex care environments. We continue to aim for 100% of our workforce to have appraisals and supervision meetings.
- We work closely with our fabulous supporters so that each can give in ways of their choosing.

### **We are Courageous**

- We have shown courage in the difficult decisions we have taken about some of our services during the year.
- We have worked steadfastly with the ESFA and Ofsted to increase the Ofsted rating for Livability Nash College
- We provided our managers with a range of resources to support our organisational performance management functions. Managers have the necessary skills to hold their teams to account.
- This year we have set a bold target to resolve employee relations issues quickly (within 30 days or fewer). We have achieved this target in 70% of our cases this year.



## **Our Objects**

Livability is established for the public benefit and for charitable purposes, according to the laws of England and Wales. The Objects of the charity are to:

- To assist or educate any person in charitable need and, in particular but without limitation, any person with disabilities and the parents, guardians and carers of such people by whatever means
- To provide facilities, support, advice and assistance for Christian congregations, other Christian groupings and community groups seeking to alleviate charitable needs.
- These Objects are pursued in each case in a manner which authenticates the Christian faith and its moral principles, in a spirit of love and practical Christian service.

## **Activities**

We are proud to operate:

- 11 registered locations providing domiciliary care
- 49 supported living services
- 25 high-quality residential care homes, four of which offer nursing care
- 11 day services
- Brain injury and spinal cord injury rehabilitation services
- A special Further Education College for young people with disabilities, with registered care provision
- A special School for children with disabilities
- Teams that work to raise awareness of disability issues within church audiences, communities and more broadly.

## Public benefit

Trustees have complied with their duties to have regard to the public benefit guidance (published by the Charity Commission), in exercising powers and duties to which the guidance is relevant. In preparing this report and the accounts, Trustees have demonstrated their compliance with the requirements set out in the guidance by:

- Providing a review of the significant activities undertaken by the charity to carry out its purposes for the public benefit
- Providing details of purposes and objectives
- Providing details of the strategies adopted and activities undertaken to achieve the purposes and objectives
- Providing details of the achievements by reference to the purposes and objectives

## Structure, governance and management

Livability is a charity registered in England, number 1116530, and a company limited by guarantee registered in England and Wales, number 5967087. It is governed by its Articles of Association dated 7 November 2013. In the event of winding up, each Member's liability is limited to £1. Livability was established in 2007 as a merger of The Shaftesbury Society and John Grooms.

## Group structure

Livability is the parent charity of a group of charities and operating companies. Operating subsidiary charitable companies in the group are:

- **Kingsley Hall Church and Community Centre**, providing community services in Dagenham, East London.
- **TSS** A disability Charity with Investment income.

The active subsidiary trading companies in the group are:

- **Livability Icanho Limited**, providing acquired brain injury rehabilitation services.
- **Holton Lee Limited**, providing accommodation rentals and venue hire on the Holton Lee site in Dorset.
- **Livability Contracting Services Limited**, providing construction services.

Livability and its subsidiary charities also include the assets, liabilities, funds, income and expenditure of a number of charitable trusts that are linked to the charitable companies in the group, through linking directions from the Charity Commission. These charities are set out in note 7 to the accounts.

## **The Board of Trustees**

The Board of Trustees is responsible for the governance of Livability and for ensuring that its activities are within its charitable objects. It sets the strategic direction for the charity but responsibility for the implementation is delegated to the Executive Team, led by the Chief Executive Officer (CEO). The Board rigorously monitors and scrutinises the performance of the charity and the executive.

All Trustees are non-executive directors who serve a maximum of three terms of three years. Trustees are appointed initially by the Board of Trustees, and then reappointed at the charity's Annual General Meeting (AGM).

Each Trustee gives his or her time voluntarily and receives no benefits from Livability (but may claim reasonable expenses).

The Board ensures its Trustees provide the experience and skills required to perform its critical role effectively. In the autumn of 2019, four new Trustees were recruited through a rigorous external process. This has added fresh insights and widened the range of strategic skills on the Board. All new Trustees undertake a comprehensive induction process designed to enable them to contribute effectively as soon as possible. There is a programme of training linked to Trustee appraisals and a formal Board review. There are also two 'away days' in each annual governance cycle, to ensure matters of strategic significance are considered in depth.

The Board's business meetings are held quarterly. Monitoring of the performance of key areas of activity is delegated to sub-committees and to local boards of governors. These include Trustees and members, appointed for their expertise and knowledge in their specific area of responsibility.

A new committee structure came into operation in December 2019. The sub-committees and their delegated responsibilities are now as follows:

<b>Audit</b>	Ensure effective systems of internal control and recommend the annual financial statements for approval
<b>Strategic Business</b>	Business development, all matters relating to finance, funding and fundraising, asset management, remuneration and information and communication system
<b>Nomination, Remuneration &amp; Governance</b>	Talent management, reward strategy and policy, annual review of remuneration and benefits and publicly reportable data; dealing with matters of governance for all committees
<b>Safeguarding Board</b>	Ensure safeguarding and promoting welfare are of paramount importance across Livability; provide assurance and oversight of the safeguarding process, including all incidents; advise the Board on meeting its statutory obligations in relation to safeguarding
<b>Services Quality</b>	Quality, performance and development of all operational care and rehabilitation services, education services, including community engagement; people and change issues, training and development and career opportunities
<b>Local Governing Boards</b>	A Local Governing Board for each of Livability's Education Services, overseeing local educational and management matters; leadership ensuring quality assurance for regulators, commissioners and funders






In addition, the Board establishes medium- and short-term ad hoc advisory groups, to inform policy in specific areas of the charity's work and governance.

### **Chief executive officer**

The CEO is responsible to the Board for the direction of the activities and the performance of Livability in meeting the strategic goals set by the Trustees and in compliance with the policies set by the Board.


The Executive Leadership Team (ELT) is responsible for strategic oversight and leadership of the charity; it comprises the CEO; the Executive Directors of Operations; Finance; People & Transformation; Education, and the Company Secretary. The Executive Leadership Team is young in terms of service with Livability. At the end of the financial year, the longest-serving member of the team had been employed for 12 months and 2 weeks

## Livability's People Agenda

18/19	Financial Year	19/20
Head count		
<b>2,166</b>		<b>2,115</b>
Staff cost		
Agency costs <b>£4.99m</b> Staff costs <b>£33.01m</b> Total staff costs <b>£ 38.00m</b>		Agency costs <b>£4.73m</b> Staff costs <b>£31.56m</b> Total staff costs <b>£ 36.29m</b>
Starters		
<b>485</b>		<b>509</b>
Turnover		
<b>27.35%</b>		<b>19.84%</b>
Sick days lost		
<b>9,960</b>		<b>12,537</b>

18/19	Financial Year	19/20
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### Length of service award

5 years <b>103</b>	10 years <b>61</b>		5 years <b>65</b>	10 years <b>44</b>
15 years <b>28</b>	20 years <b>12</b>		15 years <b>25</b>	20 years <b>11</b>
25 years <b>11</b>	30 years <b>0</b>		25 years <b>5</b>	30 years <b>2</b>

### Promotion

**20**



**33**

### Training

Training courses attended

**1,650**



Training courses attended

**7,633**

### Apprentices

New enrolments to  
Apprenticeship Programme

**61**

Apprentices achieving  
qualification

**0**

Apprentices leaving  
the organisation

**11**



New enrolments to  
Apprenticeship Programme

**47**

Apprentices achieving  
qualification

**16**

Apprentices leaving  
the organisation

**6**

## Gender pay gap data - 2017-2018

(uploaded on government website in April 2019)

Difference in mean hourly rate of pay

**12%**

Difference in median hourly rate of pay

**4%**

Difference in mean bonus pay

**0%**

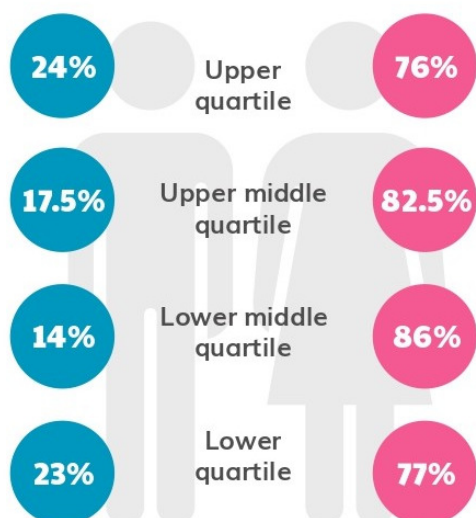
Difference in median bonus pay

**0%**

Percentage of employees who received bonus pay

Male **0%** Female **0%**

Employees by pay quartile



## Gender pay gap data - 2018-2019

(uploaded on government website in March 2020)

Difference in mean hourly rate of pay

**3%**

Difference in median hourly rate of pay

**2%**

Difference in mean bonus pay

**0%**

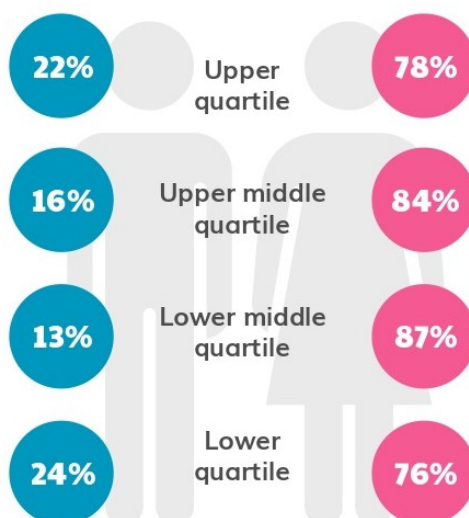
Difference in median bonus pay

**0%**

Percentage of employees who received bonus pay

Male **0%** Female **0%**

Employees by pay quartile





## Livability Gender Pay Gap for 2019/2020

- In 2018/2019, the mean hourly rate was 3%: this figure has increased to 11.06%.
- The median hourly rate has also fallen marginally from 2% last year to 1.62% in 2019/2020.
- Our median pay gap is 1.62%, this means that, women earn 98.4p for every £1 that men earn when comparing median hourly wages. In comparison to the national average which is 15.5% (Office for National Statistics 2020 figure), the figure is considerably lower.

The difference in mean and median bonus pay remains at 0%, as our charity does not pay bonuses to staff.

### Pay quartiles

The number of paid male and female in the four pay quartiles (upper, upper middle, lower middle and lower quartile) for 2019/2020 and 2018/2019 are as follows:

- Upper quartile in 2019/20 was 26% (male) and 74% (female) and 22% (male) and 78% (female) for 2018/19.
- This shows a slight decrease in the number of females and a slight increase in the number of males in this category compared to last report.
- Upper middle quartile in 2019/20 was 20% (male) and 80% (female) and 16% (male) and 84% (female) for 2018/19. There is a slight decrease in the number of females in this category and a slight increase in the number of males in this category compared to 2018/2019 figure.
- Lower middle quartile in 2019/20 was 19% (male) and 81% (female) and 13% (male) and 87% (female) for 2018/19. This is a 6% increase in males in this quartile and a 6% decrease in the number of females in this category compared to 2016/2017 figure.
- Lower quartile in 2019/20 was 17% (male) and 83% (female) and 24% (male) and 76 (female) for 2018/19. This shows a 7% decrease in the number of males in this category compared to 2018/19 figure and a 7% increase of females in this category compared to 2018/19.

Livability will continue to monitor its employment and remuneration to ensure that pay is set based on fairness.

## **Employment of people with disabilities**

Currently, 2.77% of Livability employees have declared themselves to have a disability, a slight reduction from last year by 0.56%. We want to continue to increase the number of people with disabilities who work for us. As a Disability Confident Employer (level 2), we commit to making adjustments to meet the needs of job applicants with disabilities, employees and volunteers. We work with our staff with disabilities to ensure that they are able to remain in employment.

However, we have more to do to promote employment of people with disabilities in the charity; we involve employees with disabilities, volunteers and the people who use our services, in making the charity an organisation that people want to work for. We support volunteering opportunities in a number of our services and offices across the organisation. We also provide services to support people with disabilities back into the workplace, through specialist work skills development and work experience programmes.

## **Senior executive pay**

Senior pay levels reflect the size and complexity of the organisation and the range of work carried out in health and social care with clinical and nursing service, special education provision and professional support services. Livability has noted the recommendations of the report of the National Council for Voluntary Organisations (NCVO) into senior executive pay. The Nomination, Remuneration & Governance sub-committee of the Board has reiterated the policy of the charity to set pay levels in line with median pay rates for the sector. Note six to the accounts shows the numbers of employees earning more than £60,000 in bands of £10,000.

## **Our approach to pay as an organisation is as follows:**

1. Our key priority is to be a real living wage provider and as such, we give priority to having pay scales to reflect this for our lowest rate of pay.
2. We mirror the national terms and conditions for teachers where we are able (but not all terms). Again, this is based on affordability.
3. We implement recruitment and retention initiatives for hard-to-fill roles in our frontline services.
4. For growth-driven roles, such as Area Managers, we link pay to growth.
5. We apply the Hay evaluation process for all other roles, to ensure pay is reflective of role requirements and pay is equitable and fair.

6. We have a grading system and accountability framework to ensure roles are banded and fairly paid. Our gender pay audits help to ensure we put plans in place where gaps exist.
7. We aim to be a median quartile pay employer in the voluntary sector. This means whilst we do not pay the highest rates, we will not pay the lowest. We pay the salary that represents the midpoint of each role type.

## **Volunteers**

Around 128 volunteers contributed to Livability's work in the past year and we are grateful to them for the vital role they play in our work. Whether through local project support, running Friends Groups to raise money for social care, education, or rehabilitation services, or acting as Trustees for the charity, the commitment and expertise of this group of people is a rich resource for the charity and for those we support. We promote our volunteering initiative on Livability's website at: [www.livability.org.uk/get-involved/volunteer-with-us](http://www.livability.org.uk/get-involved/volunteer-with-us)

We continue to seek ways for more people to support the users of our services and the work we do.

## **Fundraising**

### **Our approach**

Our approach to fundraising is long-term and supporter-led, building relationships with donors and enabling people to give in a way that works best for them.

We work with approved partners, and our payroll-giving programme enables supporters to give as they earn through their salary if they choose to. To ensure a good supporter experience, we monitor fundraisers acting on our behalf.

Our employed fundraisers have regular training and ongoing performance management. We provide guidelines, policies and dedicated support to fundraisers acting for us in communities.

### **Fundraising standards**

Our commitment to high fundraising standards is demonstrated through our individual staff membership of the Institute of Fundraising (IOF) and organisational membership of the Fundraising Regulator, who set and maintain the standard for charitable giving. They hold the Code of Fundraising Practice and Fundraising Promise for the UK. We have also signed up to the Fundraising Preference Service, where supporters can manage the communications and fundraising requests they receive from charities; this year we received seven suppression requests. We vigilantly adhere to regulation

standards and General Data Protection Regulation (GDPR), both generally and in our fundraising practices.

Our governance also extends to how we protect vulnerable people in the context of fundraising. Our People in Vulnerable Circumstances (PIVC) Policy makes sure that there is no undue pressure to give in the course of, or in connection with, fundraising for Livability. We aim for everyone to have a positive fundraising experience and are pleased to have a low level of fundraising complaints. In 2019-20 we received no formal complaints; we are very proud of our outstanding supporter experience and customer service in this field. When complaints arise, we follow Livability's complaint procedure. In the event that complaints are escalated to the Fundraising Regulator, we will follow their procedure for handling complaints. We continue to strive for excellence and monitor the number of complaints we have against communication touch-points in our key performance indicators. We listen to the views of our supporters through surveys, to gauge the feedback on the frequency of our mailings. We ensure supporters can clearly opt out of receiving communications and train our fundraisers on GDPR regulations and on our policies and guidelines.

## **Fundraising**

We are very grateful to all those who feel inspired to make a difference in people's lives and choose to support our work. The generous donations, time and prayers of our supporters bring our vision to life, connecting people with disabilities with their communities to fully participate and flourish. Some of our fundraising highlights include:

- Over £73k raised in year two of our Brightening Lives appeal, giving the people we support greater autonomy and independence through resident-led activities, and home improvements to make them more functional and attractive. Monies raised enabled us to renovate the dining room and bathroom at Livability John Grooms Court.
- Launch of our Energy Efficiency project to make our buildings energy-efficient, saving money on household bills and having a long-term positive environmental impact. Thanks to People's Postcode Lottery for donating £20,000 for solar panels at Livability New Court Place.
- We expanded our reach and engagement of new supporters to the charity through inserts in magazines, and by generating new supporters from online activity such as Facebook adverts.
- Runners joined Team Livability for the London Marathon, raising over £116,995 for the charity.

- The summer 2019, Appeal featured student Jenson from Livability's Victoria School. The appeal told the remarkable story of a young boy who, with the help of Livability therapists, learned to walk. Our supporters were delighted with the appeal and generously donated over £29,000.
- Livability's nine volunteer-led Friends Groups, who continue to raise funds to benefit their local Livability services.
- Our community fundraising income continues to go from strength to strength, galvanising local companies, Rotary Clubs, community groups and schools.
- We were chosen as the charity of choice by the organisers of a 55-mile cycle ride in the Peak District, with 200 riders taking part, and will continue supporting into 2021.
- Our annual Ability Sunday campaign involving over 90 church partners and 11 Livability services taking part in activities.
- We are thankful for the support of corporate partners including Altro, who encouraged 52 staff to volunteer at a Livability residential home, gardening and painting. Also to Asta UK who kindly gave to Flourish, our horticultural project and to Livability New Court Place.
- Supporters' gifts make a direct impact each year. This year, generous gifts meant we renovated gardens in our homes, making them a sensory experience; improved the living environment in our homes including a dining room refurbishment; enabled residents to enjoy various activities; enhanced technology at our school and college; and even supported Christmas parties in our homes.
- Supporters who choose to remember our work with a gift in their Will continue to give generously. This year we took part in our second Remember a Charity campaign, to reach more people who are considering leaving a charitable gift in their will. This year saw a new audience reach of over one million people for Livability through this campaign.

## **Quality and practice development**

We have developed our Quality Strategy to ensure that we are meeting regulatory requirements.

- We purchased a new system to assist us in auditing and looking at key performance indicators.
- A quality improvement methodology was embedded into the culture of all that we do.

- We developed a set of KPIs to understand each month how each service was performing and we used this to identify which services required themed audits.
- We continued to keep the voice of those we support at the heart of what we do. Our mantra is 'nothing about me, without me'.
- We have worked to ensure that quality improvement is everyone's business.
- We have worked hard to ensure we have the right skill mix across our quality team.

## **Financial outlook**

As we approached the financial year-end, the landscape rapidly changed with the arrival of Covid-19. The months since have been very different as we have had to change priorities and the impact of the pandemic on every aspect of our operations and finances. This has meant that some of the plans and strategies that were underway have been delayed altered or cancelled. The cost (to us) of PPE at the beginning of the pandemic was in excess of £400k; this was borne by the organisation to keep employees and the people we support safe, with no prospect of reimbursement. At the same time, the need to decant staff from offices in quick time presented us with many IT and management challenges, not least of which was the cost of providing laptop computers and phones to enable each person to work remotely. The pandemic has had a hugely detrimental effect on our fundraising capability (which relies on events like the London Marathon). Legacy receipts were £1M Less in 2019/20 than budgeted definitely affected by Covid19 crisis.

## Showing Charity figures for 2021/22 Budget vs 2019/20 Statutory Accounts

£'000's	2021/22 Budget (A)	2019/20 Statutory Accounts (B)	Change (A)-(B)	% Change
<b>Income</b>	44,604	41,832	+2,772	+6.6
<b>Staff Costs</b>	34,959	35,816	+857	+2.4
<b>Other</b>	10,848	12,179	+1,331	+10.9
<b>Deficit</b>	<b>(1,203)</b>	<b>(6,163)</b>	<b>+4,960</b>	<b>+80.5</b>

*Note: Charity dominates the group, so these numbers do not include any Kingsley Hall figures and this does not materially impact the financial sustainability of the group.*

+ 6.6% Income increase in 2021/22 budget is very prudent as it is an increase over two years. Staff Costs is a small reduction reflecting changes in staff across organisation including reduction in headcount in Operations as part of planned Cost Savings in 2021/22. Other costs includes all other Operational cost lines excluding Staff Costs, showing £1.3m decrease over two years. Overall £5m reduction in Deficit over two years demonstrating Trustees strategy to turn the organisation around and make it more financially sustainable for the future.

Mitigations in place to address any future cash shortfalls include daily tight monitoring, regular updating of the future Cash Forecast model plus reporting and monitoring of available cash balances so that instant action can be taken to redress any shortfall should it arise. Additionally, receipts from Debtors are closely monitored and any additional chasing of outstanding debtors is in place. As the receipts from legacies are another key cash inflow, there are regular updates on progress. Regular meetings between Livability and Metro Bank take place to keep them informed of progress. There are more forecasted properties being actively marketed, whose potential receipts are not included in the cash forecast and would result in more cash being available in the future. The properties for sale are not required for the ongoing financial performance of Livability.



There are material uncertainties as detailed in the financial outlook section above but the Trustees have performed a diligent review of cash flows and believe that Livability remains a going concern.

Looking forward, Livability's 2021/22 Budget process was thorough and although Q1 YTD Actuals show (£203K) Deficit this is £211K better than Budget, mainly £178K profit on asset disposals, which is on track versus budget, and a £33k improvement in the underlying operating performance.

The cash forecast is contingent on certain factors crystallising as explained below.

To date we have delivered a number of property sales and the £8.1m further disposal program is continuing to progress positively.

Further, the Trustees are satisfied that the assumptions used in the Cash Forecast on timing and quantum are highly likely to be delivered. However recognise there does exist a material uncertainty due to the cash forecast being dependent on £8.1m property sales and the timing of the legacy receipts dependent on the timing to go through probate plus any slippage in the delivery of cost savings.

We have confirmed from shared solicitor documents that Livability is due approximately a £4m legacy, where the probate process is about to commence. The case is relatively simple in terms of beneficiaries and as there is no legal challenge, we are comfortable with the prudent assumptions used in the Cash Forecast (£2.6m included from expected £4m). The timing of the legacy receipt may be delayed due to the time it takes for legacy to go through probate.

The 2021/22 Budget included a number of project cost savings of £2.4m and the Q1 YTD result is on track versus budget having delivered the budgeted cost savings. This provides strong evidence of the deliverability of the future planned savings.

Livability has continued to have good support from its bank during the period under review. Whilst the bank £4m RCF facility is not committed beyond 31 March 2022 the relationship with Metro Bank is strong and we have every reason to believe that Metro Bank funding will continue in to the future past 31 March 2022.

The Trustees have satisfied themselves as regards the future financial sustainability of Livability by taking into account the successful delivery of property disposals post 31 March 2020, tight cash management and improved credit control. Trustees are updated on the regular monitoring by the executive team of cost saving initiatives and implementation of the financial performance improvement plan of individual Adult Services contracts to ensure contracts are profitable.

## Financial Review

### Overview

The overall financial position of Livability has weakened, with total funds decreasing from £42.5m (2019) to £39.8m (2020).

Income for the year was £44.3m, a decrease of £3.1m over 2019 (£47.4m) levels. This was driven by two factors: charitable activities decreasing by £2.0m and income from donations and legacies decreasing by £1.1m.

Total expenditure of £49.3m (2019: £51.9m) decreased by £2.6m. This decrease was driven by a few key factors: decrease in impairment costs £1.1m, net charitable activities of £0.7m and loss on revaluation of investment £0.9m.

Actuarial gain on revaluation of the defined pension fund was £2.4m (2019: £0.5m).

The net decrease in funds of £2.8m (2019: £5m) is added to the brought forward general reserves of £42.5m.

### Key performance indicator for the group

Key performance indicators	2019/20 £'000	2018/19 £'000
Total income	44,276	47,445
Operating costs	49,447	52,885
Operating deficit for the year (after investment gains/losses)	<b>(5,171)</b>	<b>(5,440)</b>
	<b>Number</b>	<b>Number</b>
<i>Service user capacity</i>	310	308
CQC registered placements		
<i>Occupancy</i>	89.35%	89.94%
CQC registered placements		

As was the case last year, it is clear that the challenging macro and operating conditions faced by charities in the disability and care sector mean that financial constraints are now part of the operating environment, with no realistic prospect of this lessening.

However, we believe we remain well positioned to respond to these current and future challenges. The adequate level of reserves has enabled the charity to continue investing in organisational improvements. With the implementation of our

comprehensive transformation plan, we continue to action various initiatives to improve overall financial performance:

- Increasing operating contribution – apart from maintaining a tight rein on staffing and agency costs, pricing and costing mechanisms will be refined to maintain suitable levels of fees/revenue and there will be a greater focus on filling voids in care services quicker.
- Increasing net fundraising revenue – the ongoing implementation of the
- Fundraising strategy to drive increase in net fundraising in 2020 financial year.
- Reduce central support costs – as noted above, Project Enable was implemented which will underpin central support cost reductions and improved internal efficiencies in future years.
- Rationalising portfolio – a continuation of an active programme of assessing Livability's property portfolio and disposing of assets no longer fulfilling a useful part of the portfolio.

During the year under review, the charity continued its programme of engaging with our local authority commissioners to ensure that fee levels are appropriate for the changing needs of the people we care for.

### **Reserves policy**

The Board of Directors has considered the level of reserves which should be maintained within the Group and this is reviewed annually. Such reserves are needed to cover, for example, working capital, future property repairs and the risk of possible shortfall in charitable income.

At the year ended 31 March 2020, Livability held a total of £39.8m in reserves (2019: £42.5m). These reserves are split between:

Of these total reserves including the pension reserve, £28.2m (2019: £31.7m) are unrestricted.

In addition, the Trustees have considered and set a reserves policy which requires that unrestricted funds equivalent to a range of eight to 12 weeks of total organisational expenditure is held.

The charity's unrestricted general reserve at the end of the year was £10.4m. This represents eleven weeks of total unrestricted organisational expenditure, which is within the range determined by our reserves policy.

We have also considered our free reserves. We have calculated our free reserves using the broad guidelines set out by the Charity Commission. Effectively, we have

taken our Group net assets and, as we are an organisation that actively uses properties, we have deducted fixed assets that are not endowed or restricted or subject to sale in future years. This provides us with free reserves of £4.4m at the end of the financial year, which is an increase from £3.9m in 2019. As noted

elsewhere in the report, there are various steps that have been and will be taken to improve the underlying financial performance of the organisation, during the financial year under review, and going forward.

### Free reserve calculation

£ '000	31/03/2019	31/03/2020
Group net assets	42,540	39,792
Less: Restricted funds	(4,096)	(4,986)
Less: Endowed funds	(6,712)	(6,661)
Less: Fixed assets (asset reliant organisation)	(40,907)	(39,376)
Add back: Pension Liability 'reserve'	4,748	748
Subtotal	(4,427)	(10,483)
Add back: Tangible fixed assets in Restricted / Endowed reserves	5,068	4,540
Add back: Functional fixed assets to be sold in following years	<u>3,251</u>	<u>10,317</u>
Free reserves	<u>3,892</u>	<u>4,374</u>

### Investment policy

In line with Livability reserves policy, at any point in time we may hold cash and other assets that are surplus to immediate requirements. The policy of the Board of Trustees is to invest surplus funds to meet the following objectives:

To match the risk and maturity of the investments with the requirement for available funds.

To invest in liquid assets which can be converted to cash quickly, although it is recognised that the majority of surplus funds are currently held in fixed assets.

To invest in a way that does not conflict with the charity's aims and objectives and which is prudently risk-free. The majority of Livability's surplus funds is currently held in fixed assets, funds held for long-term investment that form the Endowed Funds and a low value of shareholdings that have been donated to the charity. Other surplus funds are held in cash.

To invest in our staff, which is crucial for our continuing provision of high-quality services and avoids any quality, safety or reputational risks.

The charity uses the services of Royal London Cash Management to invest its surplus funds, at an annual fee of 0.10%. A decision is taken on a case-by-case basis as to whether to retain or dispose of any donated investments.

## **S172 Working with our stakeholders**

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). The duty of the Trustee of a charitable company is to act in the way he or she considers, in good faith, would be most likely to achieve its charitable purpose and in so doing to have regard (among other matters) to:

- A.** the likely consequences of any decision in the long term
- B.** the interests of the company's employees
- C.** the need to foster the company's business relationships with suppliers, customers and others
- D.** the impact of the company's operations on the community and the environment
- E.** the desirability of the company maintaining a reputation for high standards of business conduct
- F.** the need to act fairly between members of the company.

## **The people we support, their families and representatives**

At Livability, the people we support are at the centre of all we do.

During the year, and perhaps more than ever before, the Board members needed to consider significant matters where it was important to be mindful of the interests of employees and of the interests of the people we support. These needs are always

examined against the prevailing context of the business and the requirement to work efficiently in the interests of the charity's objects.

The organisation reinforced its internal "Nothing about me, Without me" initiative. The objective is to enable the people we support and their families to implement their preferred needs, wishes and preferences with the aid of Livability; this necessitates a shared understanding from all those involved.

Our Safeguarding Board is key to understanding the relationship with the children, young people and adults we support. It is where we use a thematic approach to explore how we keep people safe – and – how we act and react when concerns are raised.

Those members of staff affected by the aforementioned organisational re-structure proposals (formed before the Covid-19 pandemic) were invited to take part in a consultation process that went above and beyond the statutory requirements.

### **Our members of staff**

During the accounting period Livability launched its Staff Forum. The executive team took the decision to talk more purposefully and formally with its employees; as a result, each business area is represented in round-table discussions about organisational culture, Livability values and ethos, reward and recognition, and wellbeing.

Staff on the frontline in our adult care business continued in the workplace throughout the Covid-19 lockdowns, supported by actions from local, regional and national managers, together with kindness of volunteers. Quality issues continued to be monitored and assessed. Individual services received virtual visits from executive directors and Trustees. Staff members in our education businesses also continued in the workplace, remaining open for the majority of the lockdown periods. Staff members in support functions were enabled to work remotely, being issued with appropriate IT equipment. These employees were kept up to date through a series of live Briefings (recorded for those who could not attend). All staff were required to undertake a personal risk assessment in order to assess their level of risk in the move back to the workplace, particularly at our National Office premises. This gave line managers the opportunity to consider making necessary adjustments. The strategy to protect the workforce was further enhanced by treating the office space similarly to our clinical settings, thus going above and beyond the elementary protections.

Trustees receive regular updates from the Executive Director of People; the post-holder attends the full Trustee Board and the Services Quality & Performance Sub-Committee to discuss employee matters, demographics, staff recruitment & retention rates, diversity issues, whistle-blowing events, staff training & development data and pay issues.

## **Our Trustees and stakeholders**

Each trustee makes a number of visits to Livability Services each year and writes an associated report. The report does not seek to emulate regulatory frameworks, it merely highlights the trustee's thoughts and feelings after spending time with those we support. Service managers and staff are also free to share their joys and frustrations. These reports are shared with the whole Board and form the basis for further action and scrutiny.

The visits to services include visits to the organisation's subsidiaries – each of which has been visited annually by at least one trustee (and generally more). For example, regular visits are made to Livability Kingsley Hall and Trustees have reported back on the facilities available, the impact of their outreach work and the impact of the collaborative project with the Mayor of London's Office.

Trustee directors have continued to engage at Livability events. During the accounting period, a celebratory event at Livability Brookside House (having gained "Outstanding" CQC status) provided Trustees with the opportunity to seek the views and opinions of staff, of the people we support in this residential service, and of a number of stakeholders – for example, our Patron, Livability Members and Livability Vice Presidents. A further event at Livability Icanho enabled Trustees to share the experiences of patients with acquired head injuries who were undergoing intensive rehabilitation.

## **Our Supporters & Volunteers**

This year, the Livability Carol Service at St Martin in the Fields and the Christmas Rose Fellowship event for legacy-pledgers enabled Trustees to gain the thoughts and motivations of these individual supporters.

Trustees who took part in a summer fundraising event in a number of TFL's underground stations were able to work shoulder-to-shoulder with Livability Volunteers, using the opportunity to not only seek their views, but also to experience the efforts of volunteers in real time.

## **Our Regulators**

Compliance with regulatory frameworks and performance against those frameworks are scrutinised at the Services Quality & Performance Sub-Committee and the Livability Safeguarding Board and each of the Local Governing Boards (our regulatory bodies include the Care Quality Commission, the Regulation and Quality Improvement Authority, Care Inspectorate Wales, Ofsted & the ESFA). We have strong relationships with our regulators, engaging with them proactively when it might be deemed helpful.



## **Our Local Communities**

Livability's Local Governing Boards (LGBs) include a community member who is chosen specifically to represent his or her community. In addition, these Boards include members from a range of commissioning local authorities in order to scrutinise the quality and endeavours of our workforce and the impact and outcomes for those we support.

Livability partners with a number of Christian churches to provide training that develops the local community – for example, understanding more about people with disabilities, how to improve accessibility to local churches, and how to apply a positive psychology to our everyday lives (the Happiness Course).

## **Our Suppliers**

Like many charity organisations, Livability is in a situation where it needs to maintain its cash at adequate levels. This is a standing agenda item for Trustees and the executives alike. The small and medium businesses we rely on are prioritised for payment, as are key stakeholders such as HMRC.

## **Environment Commitment**

### **Streamlined Energy and Carbon Reporting (SECR) statement**

The energy consumption report (SECR) is still work in progress and has been delayed in completion due to staff shortages as a result of the Covid-19 crisis. Finalisation of the report will be completed urgently, and published on the Livability website as soon as it is available. The SECR report will be included in 31 March 2021 report.

## **Principal risks and uncertainties**

Livability's work with vulnerable people means that there are always potential risks. We have safeguarding policies and procedures, which are regularly reviewed, and ensure that concerns are effectively identified, reported, and responded to, and we work in partnership with statutory organisations as required.

Our risks fall into six major categories:

### **1. Reputational – the risk of damaging our reputation through regulatory and other failings associated with the delivery of our services**

Our reputation is critical to maintaining our status as a trusted provider and this risk is managed through a robust set of performance indicators and allied to assurance

controls in safeguarding, financial and operational delegations, fraud prevention and detection controls, and the wider policies and procedures upheld through the Internal Quality and Practice Development Team.

**2. Operating margins – pressure from limited income growth and increasing cost**

This is a risk in common with other providers of services funded by the public sector, and failing to improve the margins as planned will limit our ability to invest in continuing to improve and expand our services. This risk is being mitigated with an extensive transformation plan that seeks to remove administrative barriers to efficiency internally.

**3. Pensions – Livability’s three closed defined benefit pension schemes are subject to risks around their funding, outside the control of Livability**

The continued requirement to fund the deficits has a material impact on Livability’s ability to invest in the growth and development of its services and facilities. Livability is working with industry experts to ensure needs are balanced with current beneficiaries of the charity with those of its current and future pensioner populations.

**4. Cash availability – the low operating margins alongside significant funding requirements such as recovery payments for the closed pension schemes means that cash availability is an ongoing risk. The risk is tightly monitored and reported to the Board on a monthly basis.**

**5. Recruitment and retention – the risk of not being able to deliver high quality services and care due to workforce shortages**

There are known workforce shortages affecting the wider health, education and social care sectors. Livability is committed to becoming recognised as an employer of choice to attract and retain the workforce needed to sustain high standards across the service portfolio. Livability has also set a strategic goal to lower the sickness absence rate and has launched initiatives during the year to foster staff engagement, wellbeing and people support and development.

**6. Brexit – the continuing implications of Brexit where outcomes are still unclear given the additional impact of Covid-19.**

The Board and Executive Team monitor the financial performance of the charity and associated risks through a performance dashboard and regular meetings with relevant staff.

## **Statement of Trustees' responsibilities for the Financial Statements**

The Trustees (who are also the directors of the charitable company for the purposes of Company law) are responsible for preparing the Trustees Annual Report, incorporating the Strategic Report, and the financial statements, in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Disclosure of information to auditor**

Each of the members of the Board of Trustees has confirmed that:

- so far as he or she is aware, there is no relevant audit information of which Livability's auditors are not aware
- he or she has taken all the steps that he or she ought to have taken as a member of the Board in order to make himself or herself aware of any relevant audit information and to establish that Livability's auditors are aware of that information.

The report of the Board was approved by the Board on 24 August 2021 and signed on 24 August 2021 its behalf by Kate Clare, Chair.

Kate Clare

## **Independent Auditor's Report to members of Livability**

### **Opinion**

We have audited the financial statements of Livability ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise the Livability group consolidated statement of financial activities, the Livability charity statement of financial activities, the Livability group and charity balance sheets, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

### **Material Uncertainty related to going concern**

We draw attention to note 1.A to the financial statements, which indicates that the Trustees were aware that the level of costs versus income in the group's forecasts was too high and therefore action must be taken to address this situation. Property sales were required in these forecasts to solve the cash shortfall. Additionally the Trustees were aware the RCF facility was due to end within the next 12 months and an alternative facility would be required. Trustees agreed that both these issues must be addressed for Livability to be financially sustainable. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the entity to continue as a going concern and it may be unable to realise its assets or discharge its liabilities in the normal course of business.

As stated in note 1.A, these events or conditions, along with other matters as set out in note 1.A, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, 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
- except for the omission of the required Streamlined Energy and Carbon Reporting disclosures from the Directors' Report as set out in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements..

### **Matters on which we are required to report by exception**

Except for the omission of the required Streamlined Energy and Carbon Reporting disclosures from the Directors' Report as set out in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018), in the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



## **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities for the Financial Statements, the Trustees (who are also the directors of the charitable company for the purposes 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 determines 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's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those

matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Jill Halford*

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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, United Kingdom

Date 27 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Group Statement of Financial Activities

### Livability Group Consolidated Statement of Financial Activities incorporating an income and expenditure account

		Group Year Ended 31 March 2020				Group Year Ended 31 March 2019			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Income From:	Note	£000	£000	£000	£000	£000	£000	£000	£000
Donations and Legacies	2	2,447	1,581	-	4,028	4,355	787	-	5,142
Charitable Activities	2	39,309	713	-	40,022	41,168	1,011	-	42,179
Other Trading Activities	2	146	15	-	161	24	21	-	45
Investments	2	16	49	-	65	45	34	-	79
<b>Total Income</b>		<b>41,918</b>	<b>2,358</b>	<b>-</b>	<b>44,276</b>	<b>45,592</b>	<b>1,853</b>	<b>-</b>	<b>47,445</b>
Expenditure on									
Raising Funds	5	1,245	36	-	1,281	1,384	33	-	1,417
Charitable Activities	5	46,268	793	45	47,106	46,398	1,251	134	47,783
Other	5	672	-	-	672	831	-	1,688	2,519
(Gain)/Loss on Disposal of Fixed Assets	4	(92)	316	-	224	175	-	-	175
<b>Total Expenditure</b>		<b>48,093</b>	<b>1,145</b>	<b>45</b>	<b>49,283</b>	<b>48,788</b>	<b>1,284</b>	<b>1,822</b>	<b>51,894</b>
Net Loss on revaluation of properties	3	(94)	-	-	(94)	-	-	-	-
Net Loss on revaluation of investments	3	(62)	(2)	(6)	(70)	(991)	-	-	(991)
<b>Net Income/expenditure</b>		<b>(6,331)</b>	<b>1,211</b>	<b>(51)</b>	<b>(5,171)</b>	<b>(4,187)</b>	<b>569</b>	<b>(1,822)</b>	<b>(5,440)</b>
Transfer between funds	14	321	(321)	-	-	960	(1,906)	946	-
Actuarial Gains/Losses	13	2,423	-	-	2,423	488	-	-	488
<b>Net movement in funds</b>		<b>(3,587)</b>	<b>890</b>	<b>(51)</b>	<b>(2,748)</b>	<b>(2,739)</b>	<b>(1,337)</b>	<b>(876)</b>	<b>(4,952)</b>
Total Funds brought forward as previously stated	14	31,732	4,096	6,712	42,540	32,910	6,994	7,588	47,492
Prior period adjustment	14	-	-	-	-	1,561	(1,561)	-	0
<b>Restated total Funds brought forward</b>	<b>14</b>	<b>31,732</b>	<b>4,096</b>	<b>6,712</b>	<b>42,540</b>	<b>34,471</b>	<b>5,433</b>	<b>7,588</b>	<b>47,492</b>
<b>Total funds carried forward</b>		<b>28,145</b>	<b>4,986</b>	<b>6,661</b>	<b>39,792</b>	<b>31,732</b>	<b>4,096</b>	<b>6,712</b>	<b>42,540</b>

All the results in the Statement of Financial Activities (SOFA) derive from continuing operations. There were no other recognised gains and losses other than those reported in the SOFA. The notes on pages 44 to 77 form part of these financial statements.]

## Charity Statement of Financial Activities

Livability Charity Statement of Financial Activities  
incorporating an income and expenditure account

		Unrestricted Funds	Charity Year Ended 31 March 2020 Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Charity Year Ended 31 March 2019 Restricted Funds	Endowment Funds	Total Funds
Income From:	Note	£000	£000	£000	£000	£000	£000	£000	£000
Donations and Legacies	2	2,379	671	-	3,050	4,355	709	-	5,064
Charitable Activities	2	38,699	-	-	38,699	40,296	73	-	40,369
Other Trading Activities	2	69	-	-	69	-	-	-	-
Investments	2	14	-	-	14	45	-	-	45
<b>Total Income</b>		<b>41,161</b>	<b>671</b>	<b>-</b>	<b>41,832</b>	<b>44,696</b>	<b>782</b>	<b>-</b>	<b>45,478</b>
Expenditure on									
Raising Funds	5	1,245	36	-	1,281	1,383	18	-	1,401
Charitable Activities	5	45,580	75	-	45,655	45,556	98	134	45,788
Other	5	604	68	-	672	776	-	1,688	2,464
(Gain)/Loss on Disposal of Fixed Assets	4	(92)	316	-	224	175	-	-	175
<b>Total Expenditure</b>		<b>47,337</b>	<b>495</b>	<b>-</b>	<b>47,832</b>	<b>47,890</b>	<b>116</b>	<b>1,822</b>	<b>49,828</b>
Net Loss on impairment of properties	3	(94)	-	-	(94)	-	-	-	-
Net Loss on revaluation of investments	3	(61)	(2)	(6)	(69)	(993)	-	-	(993)
<b>Net Income/expenditure</b>		<b>(6,331)</b>	<b>174</b>	<b>(6)</b>	<b>(6,163)</b>	<b>(4,187)</b>	<b>666</b>	<b>(1,822)</b>	<b>(5,343)</b>
Transfer between funds	14	321	(321)	-	-	960	(1,167)	207	-
Actuarial Gains/Losses	13	2,423	-	-	2,423	488	-	-	488
<b>Net movement in funds</b>		<b>(3,587)</b>	<b>(147)</b>	<b>(6)</b>	<b>(3,740)</b>	<b>(2,739)</b>	<b>(501)</b>	<b>(1,615)</b>	<b>(4,855)</b>
Total Funds brought forward as previously stated	14	31,747	2,243	5,933	39,923	32,925	4,305	7,548	44,778
Prior period adjustment	14	-	-	-	-	1,561	(1,561)	-	0
<b>Restated total Funds brought forward</b>	<b>14</b>	<b>31,747</b>	<b>2,243</b>	<b>5,933</b>	<b>39,923</b>	<b>34,486</b>	<b>2,744</b>	<b>7,548</b>	<b>44,778</b>
<b>Total funds carried forward</b>		<b>28,160</b>	<b>2,096</b>	<b>5,927</b>	<b>36,183</b>	<b>31,747</b>	<b>2,243</b>	<b>5,933</b>	<b>39,923</b>

All the results in the Statement of Financial Activities (SOFA) derive from continuing operations. There were no other recognised gains and losses other than those reported in the SOFA. The notes on pages 44 to 77 form part of these financial statements.

## Balance Sheet – company number 5967087

### Livability Group and Charity Balance Sheets

At 31 March 2020

	Note	Group £000	2020 £000	2019	Charity £000	2020 £000	2019
<b>Fixed Assets:</b>							
Tangible Assets	8		39,376	40,907		36,366	38,101
Financial Investments	9		2,399	2,553		2,384	2,538
Social Investments	10		7,226	8,462		7,226	8,462
<b>Total Fixed Assets</b>			<b>49,001</b>	<b>51,922</b>		<b>45,976</b>	<b>49,101</b>
<b>Current Assets:</b>							
Debtors	11		5,511	4,720		4,887	4,659
Cash at Bank			3,252	3,804		2,260	3,199
<b>Total Current Assets</b>			<b>8,763</b>	<b>8,524</b>		<b>7,147</b>	<b>7,858</b>
<b>Liabilities:</b>							
Creditors: amounts falling due within 1 year	12		(9,620)	(6,058)		(9,438)	(5,988)
<b>Net Current (Liabilities)/Assets</b>			<b>(857)</b>	<b>2,466</b>		<b>(2,291)</b>	<b>1,870</b>
<b>Total Assets less Current Liabilities</b>			<b>48,144</b>	<b>54,388</b>		<b>43,685</b>	<b>50,971</b>
Creditors: amounts falling due after 1 year	12		(7,604)	(7,100)		(6,754)	(6,300)
<b>Net assets excluding pension Liability</b>			<b>40,540</b>	<b>47,288</b>		<b>36,931</b>	<b>44,671</b>
Defined Benefit Pension Liability	13		(748)	(4,748)		(748)	(4,748)
<b>Total Net assets</b>			<b>39,792</b>	<b>42,540</b>		<b>36,183</b>	<b>39,923</b>
<b>The Funds of the Charity:</b>							
Permanent Endowment funds	14		6,661	6,712		5,927	5,933
Restricted funds	14		4,986	4,096		2,096	3,804
Unrestricted funds	14		28,893	36,480		28,908	34,934
Pension Reserve	14		(748)	(4,748)		(748)	(4,748)
			<b>39,792</b>	<b>42,540</b>		<b>36,183</b>	<b>39,923</b>

The report of the board was approved by the Board on 24th August 2021 and signed on 24th August 2021 on its behalf by

Kate Clare      John Weaving

Kate Clare  
Chair

John Weaving  
Trustee

The notes on pages 44 to 77 form part of these financial statements.

## Cash Flows

For the year ended 31 March 2020

	Note	Group		Charity	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Cash flows from operating activities</b>					
Net cash provided by / (used in) by operating activities	C1	(3,442)	(2,485)	(4,012)	(2,165)
<b>Cash flows from investing activities</b>					
Dividends, interest and rent from investments		65	79	14	45
Proceeds from the sale of property, plant and equipment		438	435	438	435
Purchase of property, plant and equipment		(1,266)	(1,634)	(1,013)	(1,373)
Proceeds from sale of investments		1,363	—	1,363	—
Purchase of investments		(10)	(10)	(9)	(10)
<b>Net cash provided by / (used in) investing activities</b>		<b>590</b>	<b>(1,130)</b>	<b>793</b>	<b>(903)</b>
<b>Cash flows from financing activities</b>					
Interest on financing activities		(451)	(191)	(420)	(191)
Repayments of borrowings		—	(5,625)	—	(5,625)
Cash inflows from new borrowing		2,750	7,100	2,700	6,300
<b>Net cash provided by / (used in) financing activities</b>		<b>2,299</b>	<b>1,284</b>	<b>2,280</b>	<b>484</b>
Change in cash and cash equivalents in the period		(552)	(2,331)	(939)	(2,584)
Cash and cash equivalents at the start of the period		3,804	6,135	3,199	5,783
<b>Cash and cash equivalents at the end of the period</b>		<b>3,252</b>	<b>3,804</b>	<b>2,260</b>	<b>3,199</b>

There is no difference between cash and cash equivalents reported in the cash flow statements and the cash at bank and in hand reported on the balance sheet.

### Notes to the statement of cash flows

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>C1. Reconciliation of net income / (expenditure) to net cash flow from operations</b>				
Net income / (expenditure) for the year as stated in the Statement of Financial Activities	(5,171)	(5,440)	(6,163)	(5,343)
Adjustments for:				
Depreciation	1,403	1,210	1,354	1,157
Impairment of functional assets	604	—	604	—
Impairment of social investment	—	1,688	—	1,688
(Gains) / losses on investments	164	991	164	993
Dividends, interest and rent from investments	(65)	(79)	(14)	(45)
Interest on financing activities	451	191	420	191
Non-cash movements in defined benefit pension scheme	(1,577)	(1,263)	(1,577)	(1,263)
(Gains) / losses on the disposal of fixed assets	224	175	224	175
(Increase) / decrease in debtors	(791)	945	(228)	1,011
Increase / (decrease) in creditors	1,316	(904)	1,204	(729)
<b>Net cash flow provided by / (used in) operations</b>	<b>(3,442)</b>	<b>(2,485)</b>	<b>(4,012)</b>	<b>(2,165)</b>

### C2. Analysis of cash and cash equivalents

	At 31 March 2020 £000	At 31 March 2019 £000	At 31 March 2020 £000	At 31 March 2019 £000
Cash at bank and in hand	3,252	3,804	2,260	3,199
Notice of deposits	—	—	—	—
Overdraft facility repayable on demand	—	—	—	—
<b>Total cash and cash equivalents</b>	<b>3,252</b>	<b>3,804</b>	<b>2,260</b>	<b>3,199</b>



**C3. Analysis of changes in net debt****Group**

	At start of year £000	Cash- flows £000	Other non- cash changes £000	At year end £000
Cash	3,804	(552)	—	3,252
Cash equivalents	—	—	—	—
Overdraft facility repayable on demand	—	—	—	—
	3,804	(552)	—	3,252
Loans falling due with one year	—	—	(2,246)	(2,246)
Loans falling due after more than one year	(7,100)	(2,750)	2,246	(7,604)
<b>Total</b>	<b>(3,296)</b>	<b>(3,302)</b>	<b>—</b>	<b>(6,598)</b>

**Charity**

	At start of year £000	Cash- flows £000	Other non- cash changes £000	At year end £000
Cash	3,199	(939)	—	2,260
Cash equivalents	—	—	—	—
Overdraft facility repayable on demand	—	—	—	—
	3,199	(939)	—	2,260
Loans falling due with one year	—	—	(2,246)	(2,246)
Loans falling due after more than one year	(6,300)	(2,700)	2,246	(6,754)
<b>Total</b>	<b>(3,101)</b>	<b>(3,639)</b>	<b>—</b>	<b>(6,740)</b>

## **Note 1 Accounting Policies**

The policies below set out the bases of recognition and measurement used by Livability and its subsidiary charities and companies for material items in the financial statements.

### **A. Basis of preparation**

The consolidated financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards, under the historical cost convention, as modified by the inclusion of investments at market value. They have also been prepared in accordance with Reporting for Charities: Statement of Recommended Practice (SORP 2019) and in accordance with the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS102), effective 1 January 2015 and the Companies Act 2006 as applied to charitable companies.

The Trustees were aware that the level of costs versus income as predicted in initial forecasts was too high and therefore action must be taken to address this situation. Property sales were required in the forecasts to solve the cash shortfall. Additionally the Trustees were aware the RCF facility was due to end within the next 12 months and an alternative facility would be required.

Trustees agreed that both these issues must be addressed for Livability to be financially sustainable. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the ability of the entity to continue as a going concern, and it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Actions taken were to identify and market properties, deliver costs savings and initiate conversations with the bank. Next, a revised cash forecast was produced to incorporate the latest known information, including information of a £4M legacy. The cash forecast included £8.1M of identified and agreed property disposals and the delivery of £2.3M cost savings. Timing of the legacy receipt may be delayed due to the time it takes for legacy to go through probate. The updated cash forecast indicated that Livability would maintain sufficient cash balances for at least 12 months from the date of signing these accounts. The cash forecast is contingent on the above factors crystallising.

Despite the above actions, there exists uncertainty and therefore the Trustees have been actively monitoring performance, and cash balances to satisfy that the updated cash projections are realistic and achievable.



## **Note 1 Accounting Policies (cont'd)**

Livability's 2021/22 Budget process was thorough and although Q1 YTD Actuals show (£203K) Deficit this is **£211K better than Budget**, mainly £178K profit on asset disposals, which is on track versus budget, and a £33k improvement in the underlying operating performance. This provides strong evidence of the deliverability of the future planned savings. Post year-end we have delivered a number of property sales and the £8.1M further disposal program is continuing to progress positively. We have confirmed from shared solicitor documents that Livability is due approximately a £4M legacy, where the probate process is about to commence. The case is relatively simple in terms of beneficiaries and as there is no legal challenge, we are comfortable with the prudent assumptions used in the Cash Forecast (£2.6M included in the period). Livability has continued to have good support from its bank post year end. Whilst the bank £4m RCF facility is not committed beyond 31 March 2022 the relationship with Metro Bank is strong and we have every reason to believe the bank will continue to support Livability after March 2022.

The Trustees will continue to monitor the delivery of the improvement plan and given the latest progress achieved on the planned actions the Trustees believe that the latest cash flow forecast remains achievable. Therefore, despite the material uncertainty it remains appropriate to prepare the accounts on a going concern basis due to the performance versus budget and successful delivery of property disposals.

The consolidated financial statements include the income, expenditure, assets, liabilities and funds of Livability and its subsidiary charities and companies. These amounts are included on each line in the financial statements with investments, transactions and balances between the members of the Livability charity group eliminated so that the consolidated financial statements report the interactions between the Livability group and external parties.

A prior year adjustment of £1.56m was made to adjust the closing balances 31 March 2018 between general reserve and restricted reserve (See Note 14 restated). These amendments have not had any impact on the prior year net incoming resources or net assets brought forward.

### **B. Funds**

#### *Unrestricted funds*

Unrestricted funds arise from income donated to or earned by the charity in pursuit of its charitable objects and may be applied in any way that meets those charitable objects.

## **Note 1 Accounting Policies (cont'd)**

### *Designated funds*

Designated funds are those unrestricted funds that the Trustees have identified and set aside to meet particular purposes or to segregate them from the General Fund. A more detailed description of funds is available at note 14.

### *General Fund*

The charity's General Fund is the balance of unrestricted funds after setting aside the designated funds identified above.

### *Restricted funds*

Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. Restricted funds arise from conditions attached to them by the donor or the activity generating the funds, by deliberate requests for such funds by the charity. Subsidiary charities whose objects are consistent with, but more narrowly drawn than, those of Livability are also reported within restricted funds.

### *Permanent endowment funds*

Restricted endowment funds represent assets that are specified by their donor to be retained and used by the

charity to pursue its objects, unless the donor specifies otherwise.

### *Transfers between funds*

During the year, £321k was transferred from restricted funds to unrestricted funds. The transfer relates to expenditure which came out of unrestricted funds instead of restricted as represented in Note 14.

Purchases of fixed assets generate a transfer from the fund providing the funding for the purchase to the relevant designated reserve. Disposals of fixed assets generate a transfer from the designated reserve to general funds unless there is a restriction on the use of the disposal proceeds.

Payments of deficit contributions to pension schemes cause a transfer from General Fund to the Pension deficit fund, and repayment of loans generates a transfer from the General Fund to the Property Fund.

## **Note 1 Accounting Policies (cont'd)**

### **C. Income**

#### **Donations, legacies and grants**

Income from donations, legacies and grants is recorded in the financial statements when entitlement to the income is established, it is more likely than not that the income will be received and the amount to be received can be reliably estimated and any conditions required to receive the funds have been met or are within the control of the charity. In practice, most donations income is recognised when received. Legacies are recognised following the principles of income recognition used for other donated income.

Entitlement is taken to be confirmed by grant of probate over the estate of the donor; probability of receipt is judged on a combination of the granting of probate and knowledge of the valuation of the net estate; the amount to be received is assessed based on probate and the valuation of the estate. Where a life interest in an estate exists, no income is recognised other than from distributions from that estate to Livability.

#### **Income from charitable activities**

Where Livability provides services or goods in return for payment, the income from these items is recognised when Livability completes its part of the agreement by delivering the services or goods.

Grants related to performance of contractual obligations are recognised when Livability has entitlement to the income, it is probable that income will be received and the amount of income can be measured reliably.

### **D. Expenditure and allocation of support costs**

All expenditure is accounted for on an accruals basis and has been listed in such a way as to accumulate all the charity's costs of employees, goods and services relating to a particular activity of the charity under that activity heading. Direct costs, including attributable salaries and associated costs, are allocated on an actual basis to the key areas of activities. Indirect costs (support costs), primarily comprising staff costs of employees based at the charity's National Office in London, are allocated to each activity heading using a number of identified cost drivers, including expenditure as a proxy measure for usage of resources and staff numbers.

## **Note 1 Accounting Policies (cont'd)**

### **E. Fundraising Costs**

Fundraising costs comprise salary costs and other associated expenditure relating to the generation of voluntary income.

### **F. Tangible fixed assets**

Tangible fixed assets are significant physical items of property, plant and equipment held for continuing use by the charity in delivering its charitable objectives.

#### *Recognition*

A tangible fixed asset is recorded in the accounts at cost including irrecoverable VAT when the cost of the asset can be measured reliably and it will be of benefit in delivering charitable objectives. As a result of adopting FRS102 and SORP 2015 the charity has taken the transitional provision to take the value of properties at the date of transition, 1 April 2014 and treat it as the deemed cost of the assets. Assets are capitalised when the cost exceeds £5,000.

#### *Separate components*

The charity holds freehold buildings with significant components that have materially different useful lives from the rest of the building. These components are depreciated separately over their individual lives at the following rates:

Main Fabric - 100 years

Pitched Roof - 70

Flat Roof - 40

Windows and Doors - 40

Boilers and Heaters - 15

Mechanical systems - 30

Bathrooms - 30

Kitchens - 20

Lifts - 25

Electrics - 40

Alarm and Security – 15

## **Note 1 Accounting Policies (cont'd)**

Freehold land and assets in the course of construction are not depreciated.

### *Other Fixed Assets*

Assets are depreciated evenly to their estimated residual values over their estimated useful lives as follows:-

Leasehold buildings	over the lease term
Horticultural buildings	over 25 years
Equipment, fittings and furniture	over 5 years
Plant and machinery	over 20 years
Cars	over 4 years
Minibuses and coaches	over 6 years
Computers and software	over 3 years
Chalets and mobile homes	over between 10 and 30 years

The residual value of all assets is assumed to be zero.

## **G. Financial Investments**

Investments are items of property and other assets held to generate income and capital growth for the charity.

### *Listed and other financial investments*

Investments that have a ready market where the value can be determined by reference to published data are valued at the bid price. Where no market is available in the investments, they are valued at cost less impairment.

### *Property investments*

Property investments are recorded at their fair value at the date of the accounts. Livability's valuation methodology is to obtain external revaluation of its investment properties on a five-year rolling basis. The properties were externally revalued in 2017. In the intervening period between the 5 years, the charity has obtained pre-market advice on projected sales. More recent property disposals support the Trustees' view that the book values are not materially misstated.

## **Note 1 Accounting Policies (cont'd)**

### *Investments in group entities*

Investments in group entities are held at their cost less any identified impairment.

### *Gains and losses*

All gains and losses are taken to the Statement of Financial Activities as arise. Realised gains and losses on investments is calculated as the difference between sales proceeds and their opening carrying value.

Unrealised gains and losses are calculated as the difference between fair value at year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

## **H. Social investments**

### *Programme-related investments*

Programme-related properties are properties that are held by the charity and provided to individuals or organisations in delivering charitable objects which are line with Livability's own charitable objects. This type of fixed asset is held without seeking to make a return, other than one which is incidental.

These investments are carried at fair value at the date of the accounts. Any impairment to valuation is treated as charitable expenditure.

## **I. Financial Instruments**

Financial instruments are contracts that give rise to a financial asset for one party to the contract and a financial liability or equity instrument for the other party.

### *Basic Financial Instruments*

Livability and its group entities have basic financial instruments that are recognised when the provisions of the contract are met and for which the accounting policies are as follows:

#### *Trade debtors and other amounts receivable*

Trade debtors and other amounts receivable are recognised at the value defined by the contract, agreement or legislation giving rise to the amount receivable. Impairment of receivable amounts is recognised as expenditure in the SOFA.

#### *Trade creditors and other amounts payable*

Trade creditors and other amounts payable are recognised at the value defined by the contract, agreement or legislation giving rise to the liability.

## **Note 1 Accounting Policies (cont'd)**

### *Bank loans*

Bank loans are recognised at the present value of the cash flows under the loan agreement, discounted at the effective interest rate for each bank loan.

### *Other Financial Instruments*

The accounting policies for other financial instruments are as follows:

#### *Derivative financial assets and liabilities*

Livability carries derivative financial assets and liabilities at their fair value and accounts for changes in fair value through the Statement of Financial Activities. Interest rate collars, which are a combination of a put and a call interest rate option, are valued at the option value using standard tools for the calculation of such items.

Amounts payable or receivable under loan contracts for the purchase of property made to or by the charity that vary with the price of the related property are recognised separately from the loan itself and changes in the value are recognised in the Statement of Financial Activities. The loan is accounted for as a basic financial instrument as set out above.

## **J. Entity combinations**

Entity combinations are the effect on the accounts of Livability and the Livability group of changes to the structure of the charity and the group that arise from the purchase of businesses and companies, the gift of charities and mergers between charities. In accounting for entity combinations, Livability applies the requirements of FRS 102 s19 and section PBE34.75 – PBE34.86.

Unless the requirements for merger accounting are met, an acquiring entity is identified in an entity combination, being the dominant party in a charity merger or the contractual acquirer of a business or company. In all combinations the assets and liabilities of the entity joining the group that exist at the date of combination are included in the group accounts. These assets and liabilities may include Intangible assets such as brand value, customer lists and order books that are not recognised in the individual financial statements of an acquired entity. All assets and liabilities in the combination are initially recognised at their fair values. After that date, the accounting policies set out in this note are applied to recognition, de-recognition and valuation of the assets and liabilities.

## **Note 1 Accounting Policies (cont'd)**

When the transaction is in substance a gift from the Trustees or members of an existing charity, a gift with the value of the net asset value of the assets and liabilities of the gifted charity is recorded and an investment with the same value is recorded in the books of the charity. Transaction costs associated with the combination are recognised in the SOFA as incurred. When a business or company is purchased, the cost of the investment is recognised as the fair value of the consideration payable, including transaction costs.

### **K. Impairment of assets**

At each accounts date, the recoverable amounts of assets are assessed to determine whether they have fallen below their carrying values. When the recoverable amount of an asset falls below its carrying amount, the value of the asset is said to be impaired. The carrying amount is reduced to the recoverable amount with the loss in value reported in income and expenditure.

The recoverable amount of an asset is the higher of the amount that can be generated by using the asset or by selling it. When assessing the recoverable amount of purchased goodwill, the cash flows arising from the group of assets that make up the cash-generating unit in an entity combination are used to assess the amount generated by using the assets. The amount attributable to goodwill is taken to be the excess of the recoverable amount of the cash-generating unit over the fair values of the individual assets in the cash generating unit.

### **L. Leases**

#### *Operating leases*

Where Livability acts as the lessee, the cost of operating leases is recognised by spreading the total payments under the lease, including lease premiums paid, evenly over the lease term. Lease incentives that reduce the rent payable under the lease are taken as part of the total payments.

Where Livability acts as the lessor, income is recognised by spreading the total receipts under the lease evenly over the lease term. Lease incentives paid and premiums received are treated as part of the total receipts. Costs of arranging the lease of an asset are added to the cost of the leased asset and recognised over the lease term in the same way as the lease income.



## **Note 1 Accounting Policies (cont'd)**

### **M. Short-term employee benefits**

The liability to pay short-term employee benefits, which are mainly salary, the entitlement to paid leave and related employment taxes, is recognised as the employees earn entitlement to pay and paid leave under the terms of their employment contract, with a corresponding expense recognised in expenditure. Amounts paid are deducted from the liability when paid.

### **N. Redundancy and termination payments**

Redundancy and termination payments are recognised in the Statement of Financial Activities when they become due for payment as a result of notice given to staff or agreement between the charity and the employee.

### **O. Pensions**

#### *Defined contribution pension schemes*

Contributions to defined contribution pension schemes are recognised in the Statement of Financial Activities when entitlement to the contributions has been earned by the member of staff. The cost is allocated to the activity within which the staff member has worked and the fund that is resourcing the activity.

#### *Defined benefit pension schemes – single employer schemes*

As the principal employer in such schemes, Livability has a duty to fund the schemes to enable them to pay the benefits due to the scheme members. A liability equal to the net present value of future liabilities payable under the schemes net of the fair value of the assets of the scheme is recognised at the date of the accounts.

The net present value of the future liabilities is calculated for each scheme by a qualified actuary using the project unit credit method, taking account of expected changes to future benefits arising from salary changes and changes in pension payments from inflation and other effects. The discount rate applied to the future liabilities is set by reference to the return rate from high-quality corporate bonds with the same currency and similar maturity as the pension payments.

An interest charge equal to the unwinding of the discount on the net liability is recognised each year. The costs of administration of the schemes are recognised as an expense each year.

## **Note 1 Accounting Policies (cont'd)**

Changes to the net liability from changes to actuarial assumptions underlying the valuation and the difference between the actual return on assets and that included in the annual interest charge are recorded as actuarial changes and presented in the SOFA within other recognised gains and losses.

### *Defined benefit pension schemes – multi-employer schemes*

The multi-employer defined benefit pension scheme is accounted for as a defined contribution scheme, due to insufficient information available from the actuary, to split the assets and liabilities of the scheme by employer, to enable the scheme to be accounted for as a defined benefit scheme. Contributions made towards the scheme are charged to the Statement of Financial Activities when they become payable. Where Livability has a liability to pay deficit reduction payments to multi-employer schemes, the present value of the agreed payments are discounted using the corporate bond rate as an appropriate discount rate. The discount is unwound annually with the unwinding effect charged to the Statement of Financial Activities.

## **P. Cash flows**

The consolidated cash flows of Livability and its subsidiary companies are shown and reported using the indirect method of calculating cash flows, eliminating flows between the entities in the Livability group.

## **Q. Properties held for Sale**

Properties held for sale are stated at the lower of carrying value and net realisable value (NRV). NRV is based on the actual or estimated selling price less all further costs to completion.

## **R. Taxation Status**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary companies make qualifying donations of all taxable profit to Livability. No corporation tax liability on the subsidiaries arises in the accounts.

## **S. Judgements and Uncertainties**

In preparing these financial statements, the directors have made judgements to determine whether there are indicators of impairment of the charity's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The other key source of estimation uncertainty is in relation to the depreciation of tangible fixed assets (see note 8). Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. See accounting policy note 1.F for further details.

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of the changes in these assumptions (see accounting policy note 1.O for further details)

## Analysis of income

### Note 2 Analysis of Income

#### Group

	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Analysis of Income</b>								
<b>Donations and Legacies</b>								
Donations	1,112	1,361	-	2,473	1,398	740	-	2,138
Income from Charitable events	-	-	-	-	77	14	-	91
Legacies	1,335	220	-	1,555	2,880	33	-	2,913
Total Donations and Legacies	2,447	1,581	-	4,028	4,355	787	-	5,142
<b>Charitable Activities</b>								
Residential and community	29,713	713	-	30,426	29,311	1,011	-	30,322
Education and Care	9,593	-	-	9,593	11,810	-	-	11,810
Community Engagement	3	-	-	3	46	-	-	46
Trusts	-	-	-	-	1	-	-	1
Total Charitable Activities	39,309	713	-	40,022	41,168	1,011	-	42,179
Other trading	146	15	-	161	24	21	-	45
Investment Income	16	49	-	65	45	34	-	79
Total Income	41,918	2,358	-	44,276	45,592	1,853	-	47,445

#### Charity

	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Analysis of Income</b>								
<b>Donations and Legacies</b>								
Donations	1,044	451	-	1,495	1,398	662	-	2,060
Income from Charitable events	-	-	-	-	77	14	-	91
Legacies	1,335	220	-	1,555	2,880	33	-	2,913
Total Donations and Legacies	2,379	671	-	3,050	4,355	709	-	5,064
<b>Charitable Activities</b>								
Residential and community	28,981	68	-	29,048	28,439	73	-	28,512
Education and Care	9,593	-	-	9,593	11,810	-	-	11,810
Community Engagement	57	-	-	57	46	-	-	46
Trusts	-	-	-	-	1	-	-	1
Total Charitable Activities	38,631	68	-	38,699	40,296	73	-	40,369
Other trading	69	-	-	69	-	-	-	-
Investment Income	14	-	-	14	45	-	-	45
Total Income	41,094	739	-	41,832	44,696	782	-	45,478

## Income from Investments & losses on disposal of fixed assets

### Note 3 Income from Investments

Group	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Analysis of Income from Investments</b>								
Property Rental	3	48	-	51	33	33	-	66
Interest Receivable	2	1	-	3	2	1	-	3
Dividends from Investments	11	-	-	11	10	-	-	10
<b>Total Investment income</b>	<b>16</b>	<b>49</b>	<b>-</b>	<b>65</b>	<b>45</b>	<b>34</b>	<b>-</b>	<b>79</b>
<b>Analysis of losses from investment revaluation</b>								
Listed Investments	(62)	(2)	(6)	(70)	(41)	-	-	(41)
Investment property	(94)	-	-	(94)	(950)	-	-	(950)
<b>Total loss from investment revaluations</b>	<b>(156)</b>	<b>(2)</b>	<b>(6)</b>	<b>(164)</b>	<b>(991)</b>	<b>-</b>	<b>-</b>	<b>(991)</b>

### Note 4 Losses on disposal of fixed assets

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£000	£000	£000	£000
Disposal Proceeds net of costs	1,801	435	1,801	435
Net book value of disposed assets	(2,025)	(610)	(2,025)	(610)
<b>Gain/(Losses) on disposal</b>	<b>(224)</b>	<b>(175)</b>	<b>(224)</b>	<b>(175)</b>

## Expenditure Analysis

Note 5 Expenditure Analysis

Group	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Raising Funds</b>								
Internal Fundraising costs	1,033	36	-	1,069	956	15	-	971
Bought In Services	29	-	-	29	231	18	-	249
Support Costs	183	-	-	183	197	-	-	197
<b>Total Raising Funds</b>	<b>1,245</b>	<b>36</b>	<b>-</b>	<b>1,281</b>	<b>1,384</b>	<b>33</b>	<b>-</b>	<b>1,417</b>
<b>Costs of Charitable Activities</b>								
Residential and Community	34,642	491	45	35,178	33,646	480	1	34,127
Education	11,290	302	-	11,591	12,173	771	-	12,944
Community Engagement	336	-	-	336	641	-	-	641
Trusts	-	-	-	-	(62)	-	133	71
<b>Total Charitable Activities</b>	<b>46,268</b>	<b>793</b>	<b>45</b>	<b>47,106</b>	<b>46,398</b>	<b>1,251</b>	<b>134</b>	<b>47,783</b>
<b>Other</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>831</b>
Impairment of functional assets	604	-	-	604	-	-	-	-
Impairment of Social Investments	-	-	-	-	-	-	1,688	1,688
(Loss)/Profit on Disposal of Fixed Assets	(92)	316	-	224	175	-	-	175
<b>Total Expenditure</b>	<b>48,093</b>	<b>1,145</b>	<b>45</b>	<b>49,283</b>	<b>48,788</b>	<b>1,284</b>	<b>1,822</b>	<b>51,894</b>

Charity	Year ended 31 March 2020				Year ended 31 March 2019			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Raising funds</b>								
Internal Fundraising costs	1,033	36	-	1,069	955	-	-	955
Bought In Services	29	-	-	29	231	18	-	249
Support Costs	183	-	-	183	197	-	-	197
<b>Total Raising Funds</b>	<b>1,245</b>	<b>36</b>	<b>-</b>	<b>1,281</b>	<b>1,383</b>	<b>18</b>	<b>-</b>	<b>1,401</b>
<b>Costs of Charitable Activities</b>								
Residential and Community	33,863	37	-	33,900	32,806	56	1	32,863
Education	11,293	38	-	11,331	12,171	42	-	12,213
Community Engagement	424	-	-	424	641	-	-	641
Trusts	-	-	-	-	(62)	-	133	71
<b>Total Charitable Activities</b>	<b>45,580</b>	<b>75</b>	<b>-</b>	<b>45,655</b>	<b>45,556</b>	<b>98</b>	<b>134</b>	<b>45,788</b>
<b>Other</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>68</b>	<b>776</b>	<b>-</b>	<b>-</b>	<b>776</b>
Impairment of functional assets	604	-	-	604	-	-	-	-
Impairment of Social Investments	-	-	-	-	-	-	1,688	1,688
Loss in the market value of social investments	-	-	-	-	-	-	-	-
Loss on Disposal of Fixed Assets	(92)	316	-	224	175	-	-	175
<b>Total Expenditure</b>	<b>47,337</b>	<b>495</b>	<b>-</b>	<b>47,832</b>	<b>47,890</b>	<b>116</b>	<b>1,822</b>	<b>49,828</b>

### Allocation of Support Costs

Direct costs, including attributable salaries and associated costs, are allocated on an actual basis to the key areas of activities. Indirect costs (support costs), primarily comprising staff costs of employees based at the charity's National Office in London, are allocated to each activity heading using a number of identified cost drivers, including expenditure as a proxy measure for usage of resources and staff numbers.

	Raising funds	Residential and Community	Education	Community Engagement	Total
£000	£000	£000	£000	£000	£000
Senior Management	28	769	238	6	1,041
Human Resources	15	532	223	7	777
Finance	63	1,754	543	15	2,375
Information Technology	32	1,085	455	14	1,586
Corporate Services	37	1,046	324	9	1,416
Marketing and Communications	8	227	70	2	307
	<b>183</b>	<b>5,413</b>	<b>1,853</b>	<b>53</b>	<b>7,502</b>

## GROUP ONLY

## Analysis of Direct and Support Costs

	Direct Costs	Support Costs	Total	Direct Costs	Support Costs	Total
	2020			2019		
	£000	£000	£000	£000	£000	£000
<b>Raising funds</b>						
Internal fundraising costs	1,069	183	1,252	971	197	1,168
Bought in services	29	-	29	249	-	249
Support costs	-	-	-	-	-	-
<b>Total Raising funds</b>	<b>1,098</b>	<b>183</b>	<b>1,281</b>	<b>1,220</b>	<b>197</b>	<b>1,417</b>
<b>Costs of Charitable activities</b>						
Residential and Community	29,765	5,413	35,178	29,179	4,948	34,127
Education	9,738	1,853	11,591	11,056	1,888	12,944
Community Engagement	284	53	337	543	98	641
Trusts	-	-	-	71	-	71
<b>Total</b>	<b>39,787</b>	<b>7,319</b>	<b>47,106</b>	<b>40,849</b>	<b>6,934</b>	<b>47,783</b>
Other	68	-	68	831	-	831
Impairment of functional assets	604	-	604	-	-	-
Impairment of Social Investments	-	-	-	1,688	-	1,688
Loss on disposal	224	-	224	175	-	175
<b>Total Expenditure</b>	<b>41,781</b>	<b>7,502</b>	<b>49,283</b>	<b>44,763</b>	<b>7,131</b>	<b>51,894</b>

Net income/(expenditure) is stated after charging/(crediting):	Group	2019
	2020	
	£000	£000
Depreciation	1,403	1,210
Audit current year	50	48
Other services	31	3
John Grooms Pension & Assurance scheme audit	8	-
Interest payable	451	191
Operating lease charges:		
Land and Buildings	818	897
Other equipment	65	39

## Note 6 Staff and staffing costs

	Group		Group	
	2020	2020	2019	2019
	Number	FTE	Number	FTE
Education services	329	204	471	303
Residential and community services	1,304	728	1,151	723
Community Engagement	6	8	11	9
Generating funds	30	26	23	21
Support functions	76	66	62	57
Total	1,745	1,032	1,718	1,113

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Wages and salaries	27,756	28,844	27,316	28,074
Social security costs	2,154	2,310	2,128	2,251
Employer contributions to defined contribution pension schemes	1,044	888	1,035	876
Operating costs of defined benefit pension schemes	213	812	213	812
Redundancy and termination payments	393	152	393	151
Agency staff	4,732	4,992	4,731	4,992
Total staff costs	36,292	37,998	35,816	37,156

For the group, redundancy payments were £393,000 (2019: £147,000) and the termination payments were £Nil (2019: £5,000)

The group made contributions of £17,320 (2019: £43,803) to the pension plans of 9 (2019: 10) employees during the period, whose emoluments exceeded £60,000.

## Higher paid staff - Group

The number of staff with remuneration excluding employer pension contributions of £60,000 or above, split into bands of £10,000, was:

	2020	2019
	£000	£000
£60,000 - £69,999	6	5
£70,000 - £79,999	2	3
£80,000 - £89,999	2	-
£90,000 - £99,999	1	1
£120,000 - £129,999	-	1
£130,000 - £139,000	-	1

## Remuneration of key management personnel

	2020	2019
	£000	£000
Wages and salaries	545	467
Contributions to defined contribution pension scheme	11	26
Termination payments	-	5
Employers national insurance	69	51
Total	625	549



## Subsidiary Undertaking

### Note 7 Subsidiary Undertaking

Name	Function	Company Registration	Charity Number	Year End
Livability Icanho Limited	Brain injury rehabilitation services.	02167304	N/A	31st March
Kingsley Hall Church and Community Centre, a company limited by guarantee	Social and religious services to the Becontree Estate.	06129881	1120001	31st March
Livability Contracting Services Limited	Construction and related services to the Livability group.	03594964	N/A	31st March
East Holton Charity a company limited by guarantee	Dormant	02717228	1011867	31st March
Holton Lee Limited	Holiday accommodation.	02871759	N/A	31st March
Prospects for People with learning disabilities, a company limited by guarantee	Provision of residential, supported living, domiciliary and day opportunity services	03305658	1060571	31st March
At Home in the Community Limited, a company limited by guarantee	Dormant	02470260	803280	31st March
John Grooms, a company limited by guarantee	Dormant	00113685	212463	31st March
The Shaftesbury Society, a company limited by guarantee	Predecessor charity to Livability	00038751	221948	31st March
Prospects Trading Limited	Dormant	03222851	N/A	31st March
A Cause for Concern	Dormant	N/A	271600	31st March
Grooms Shaftesbury Limited	Dormant	03232362	N/A	31st March
Shaftesbury Care Limited	Dormant	03232329	N/A	31st March

	Turnover or income £000	Operating profit or net incoming/ (outgoing) resources £000	Transfer to the Charity £000	Aggregate assets £000	Aggregate liabilities £000	Net assets £000
John Grooms	-	-	-	-	-	-
The Shaftesbury Society	1	-	-	38	-	38
Livability Icanho Limited	787	53	53	2	-	2
Kingsley Hall Church and Community	1,754	990	-	4,667	1,223	3,444
Livability Contracting Services Limited	164	-	-	55	55	-
East Holton Charity	-	-	-	-	-	-
Holton Lee Limited	77	56	56	194	138	56
Prospects For People With Learning C	-	-	-	-	-	-
Prospect Trading Limited	-	-	-	8	-	8
At Home in the Community	-	-	-	-	-	-
A Cause for Concern	-	-	-	-	-	-
Grooms Shaftesbury Limited	-	-	-	-	-	-
Shaftesbury Care Limited	-	-	-	-	-	-
	2,783	1,099	109	4,964	1,416	3,548

## Note 8 Tangible Fixed Assets

Group	Functional Freehold Property £000	Assets under construction £000	Functional leasehold property £000	Other fixed assets £000	Total £000
Cost					-
at 1 April 2019	40,750	915	1,685	7,861	51,211
Additions	66	215	-	985	1,266
Transfers	-	(859)	-	859	-
Disposals	(846)	-	-	(37)	(883)
Impairment adjustments	(604)	-	-	-	(604)
At 31 March 2020	39,366	271	1,685	9,668	50,990
Depreciation					
at 1 April 2019	3,102	-	269	6,933	10,304
Charged in the year	526	-	22	855	1,403
Release on disposal	(56)	-	-	(37)	(93)
Adjustments	-	-	-	-	-
At 31 March 2020	3,572	-	291	7,751	11,614
Net book value					
at 31 March 2020	35,794	271	1,394	1,917	39,376
at 31 March 2019	37,656	915	1,416	920	40,907

Group Fixed assets include assets with carrying values of £22,219,756 (2019: £21,922,725) which have been pledged as security for bank loans disclosed in note 12.

The assets under construction represent Phase 1B of the ongoing redevelopment of Kingsley Hall

At 1 April 2019	37,924	859	1,685	7,788	48,256
Additions	31	-	-	982	1,013
Transfer	-	(859)	-	859	-
Disposals	(846)	-	-	(37)	(883)
Impairment Adjustments	(604)	-	-	-	(604)
At 31 March 2020	36,505	-	1,685	9,592	47,782
Depreciation					
At 1 April 2019	3,005	-	269	6,881	10,155
Charged in year	480	-	22	852	1,354
Released on disposal	(56)	-	-	(37)	(93)
Adjustments	-	-	-	-	-
At 31 March 2020	3,429	-	291	7,696	11,416
Net book value					
At 31 March 2020	33,076	-	1,394	1,896	36,366
At 1 April 2019	34,919	859	1,416	907	38,101

Charity fixed assets include assets with carrying values of £19,501,596 (2019: £19,194,000) which have been pledged as security for bank loans disclosed in note 12.

## Note 9 Financial investments

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Analysis of Changes in investment values				
Investments at Start of Year	2,553	3,534	2,538	3,521
Additions	10	10	9	10
Losses on revaluation	(70)	(991)	(69)	(993)
Loss on revaluation of investment properties	(94)	-	(94)	-
Investments at the end of the year	<u>2,399</u>	<u>2,553</u>	<u>2,384</u>	<u>2,538</u>

## Analysis of Investments

Investment Properties	1,705	1,800	1,705	1,800
Cash and equivalents	157	147	157	147
Listed investments	537	606	514	583
Investments in subsidiary entities	-	-	8	8
Total investments	<u>2,399</u>	<u>2,553</u>	<u>2,384</u>	<u>2,538</u>

## Note 10 Social investments

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Investments at Start of Year	8,462	10,150	8,462	10,150
Disposals	(1,236)	-	(1,236)	-
Impairment of Asset	-	(1,688)	-	(1,688)
Investments and end of year	<u>7,226</u>	<u>8,462</u>	<u>7,226</u>	<u>8,462</u>
Analysis of Investments				
Social investments	7,226	8,462	7,226	8,462
Total Investments	<u>7,226</u>	<u>8,462</u>	<u>7,226</u>	<u>8,462</u>

## Debtors

Note 11 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade receivables	2,297	2,300	2,198	2,271
Prepayments and accrued income	2,314	1,862	1,522	1,760
Other debtors	900	558	771	435
Amounts due from subsidiary undertakings	-	-	396	193
	<u>5,511</u>	<u>4,720</u>	<u>4,887</u>	<u>4,659</u>

## Creditors

### Note 12 Creditors

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Amounts falling due within 1 year:				
Derivative Financial Instrument Liabilities	173	173	173	173
Trade payables	2,440	1,189	2,379	1,191
Accrued charges and deferred income (see note below)	2,943	3,506	2,899	3,460
Taxation and Social Security	1,075	803	1,075	793
Bank Loans	2,246	-	2,246	-
Other Creditors	743	387	618	355
Amounts due to Group Entities	-	-	48	16
	9,620	6,058	9,438	5,988

Deferred Income arises when the organisation invoices or receives income in advance for the provision of services, which do not meet the conditions required for them to be recognised as income within the period. Income on these funds have accordingly, been recognised on the basis of the level of performance delivered by the year end.

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Deferred Income as at 1st April	465	473	465	473
Income deferred in the year	739	465	739	465
Release during the year	(465)	(473)	(465)	(473)
Deferred Income as at 31st March	739	465	739	465

	£000	£000	£000	£000
Amounts falling due after more than 1 year:				
Other loans	100	50	-	-
Bank Loans	7,504	7,050	6,754	6,300
	7,604	7,100	6,754	6,300

The bank loans are repayable by instalments falling due in the following periods:

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Within 1 year	2,246	-	2,246	-
Within 1-2 years	1,293	230	1,225	230
Within 2-5 years	1,562	1,118	780	1,050
After 5 years	4,749	5,752	4,749	5,020
	9,850	7,100	9,000	6,300

The lenders, principle terms of borrowing and the security given for the borrowings are set out in the table below:

Facility Provider	Interest base	Margin	Outstanding at 31 March 2020 £000	Repayable by
Metro Bank Term loan	Metro Bank bas	3.25%	6,000	15/03/2029
Metro Bank revolving credit	Metro Bank bas	3.50%	3,000	15/03/2022
Charity Bank Term loan (group - KHCC)	Bank of England	3.25%	750	20/06/2043
Lester Trust Fund (group - KHCC)		1.50%	100	12/07/2023

## Note 13 Pensions

The Charity contributes to seven staff pension schemes, which are:

**A Group Personal Pension Plan** defined contribution scheme operated by **Aegon** which all permanent non-bank employees of Livability, who have successfully completed their probationary period of employment, were eligible to join until October 2013.

**A Group Personal Pension Plan** defined contribution scheme operated by the **People's Pension** into which all employees are enrolled when they meet the criteria for automatic enrolment and are not already enrolled in a pension scheme that meets the criteria of the Pensions Regulator.

**A Group Personal Pension Plan** defined contribution scheme operated by **Legal and General** into which all employees are enrolled when they meet the criteria for automatic enrolment and are not already enrolled in a pension scheme that meets the criteria of the Pensions Regulator

**The Livability Final Salary Pension Scheme** ("Livability DB scheme"), a defined benefit scheme which was closed to new members and further service accrual in June 2007. This scheme is administered by The Pensions Trust.

**The John Grooms Pension and Assurance Scheme** ("JGPAS"), a defined benefit scheme, which had been closed to new members some years ago, was closed to further service accrual in June 2007. This scheme is administered by Punter Southall.

**The Teachers' Pension Scheme** (a multi-employer defined benefit scheme) in which teaching staff are eligible to be members, and to which the Charity contributes at a rate fixed by the Fund actuaries.

**The Pensions Trust Growth Plan** (a multi-employer defined benefit scheme). There are two active members of this scheme which is closed to further benefit accrual; contributions are made at the minimum level required to maintain membership of the scheme and for reduction of the deficit in the scheme. Withdrawal from the scheme would trigger a liability estimated at 31 March 2020 at £241,000 (2019: £293,000). There is no intention to withdraw from the scheme and therefore this liability is not recognised in the Accounts at 31 March 2020.

**Kingsley Hall Church and Community Centre** contributes to a defined contribution scheme operated by the Pensions Trust for one member of staff.

The Livability DB scheme and JGPAS were closed to new members and benefit accrual in June 2007; members employed at the closure date retain a link between

## **Pensions (cont'd)**

their salary and benefits payable until their retirement or their earlier date of leaving employment.

The cost of employer contributions to the defined contribution plans was £1,741,000 in the year (2019: £1,765,000). There are no prepaid contributions in respect of any of the schemes at the balance sheet date.

The defined benefit schemes are both contracted-out of the State Second Pension Scheme (S2P) and their assets are held separately from those of the Charity. Contributions to the schemes were agreed with the schemes' Trustees, in accordance with the agreed technical provisions and recovery periods agreed for each scheme.

The last triennial valuation of the Livability DB scheme was carried out as at 30 September 2018 and has been updated to 31 March 2020 by an independent qualified actuary, in accordance with FRS 102.

This most recent actuarial valuation as at 30 September 2018 showed a deficit of £6,140,000. The employer has agreed with the Trustee that it will aim to eliminate the deficit over a period of 3 years and 10 months from 1 April 2020 by the payment of annual contributions of £1,100,000, increasing at 2.6% per annum with first increase on 1 April 2021, in respect of the deficit. In addition, the employer will pay annual contributions of £115,000 in respect of scheme expenses.

The recovery contribution made to the Livability DB scheme by the Charity in the year was £1,068,000, as set out in the previous agreed deficit recovery plan, plus a contribution for administration expenses of £120,000.

An actuarial valuation of JGPAS was carried out as at 31 March 2015 and updated to 31 March 2018 by an independent qualified actuary. The recovery contribution made to the Scheme by the employer in the year 2020 was £530,000 plus administration expenses of £23,000. The contributions for the year to 31st March 2021 are expected to be £530,000.





### Note 13 Pensions (cont'd)

The assets in the schemes were:

	Livability			Growth			Livability			Growth		
	DB	JGPAS	Plan	Total	DB	JGPAS	Plan	Total	DB	JGPAS	Plan	Total
	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019	2019	2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Equity	4,377	5,021	–	9,398	16,427	5,612	–	22,039				
Bonds	17,265	11,156	–	28,421	15,260	11,908	–	27,168				
Property	1,762	–	–	1,762	1,531	–	–	1,531				
Other	11,275	–	–	11,275	–	–	–	–				
Cash and current liabilities	397	2,744	–	3,141	239	1,092	–	1,331				
<b>Fair value of scheme assets</b>	<b>35,076</b>	<b>18,921</b>	<b>–</b>	<b>53,997</b>	<b>33,457</b>	<b>18,612</b>	<b>–</b>	<b>52,069</b>				
Present value of scheme liabilities	(35,221)	(19,283)	(241)	(54,745)	(36,456)	(20,068)	(293)	(56,817)				
<b>Pension liability disclosed in the financial statements</b>	<b>(145)</b>	<b>(362)</b>	<b>(241)</b>	<b>(748)</b>	<b>(2,999)</b>	<b>(1,456)</b>	<b>(293)</b>	<b>(4,748)</b>				
The actual return on scheme assets over the period was:	1,746	367	–	2,113	1,939	1,129	–	3,068				

Movements in the present value of the scheme liabilities have been:

	Livability DB	JGPAS	Total
	£000	£000	£000
Present value of liabilities at 31 March 2018	36,032	19,025	55,057
Current service cost	199	100	299
Interest cost	923	489	1,412
Remeasurement (gains) / losses	400	1,026	1,426
Benefits paid	(1,098)	(572)	(1,670)
<b>Present value of liabilities at 31 March 2019</b>	<b>36,456</b>	<b>20,068</b>	<b>56,524</b>
Interest cost	861	475	1,336
Remeasurement (gains) / losses	(901)	(649)	(1,550)
Benefits paid	(1,195)	(611)	(1,806)
<b>Present value of liabilities at 31 March 2020</b>	<b>35,221</b>	<b>19,283</b>	<b>54,504</b>

Movements in the fair value of scheme assets have been:

	Livability DB	JGPAS	Total
	£000	£000	£000
Fair value of scheme assets at 31 March 2018	31,575	17,450	49,025
Interest income	821	454	1,275
Expenses	(119)	–	(119)
Remeasurement gains / (losses)	1,118	675	1,793
Contributions by employer	1,160	605	1,765
Benefits paid	(1,098)	(572)	(1,670)
<b>Fair value of scheme assets at 31 March 2019</b>	<b>33,457</b>	<b>18,612</b>	<b>52,069</b>
Interest income	801	446	1,247
Expenses	(120)	–	(120)
Remeasurement gains / (losses)	945	(79)	866
Contributions by employer	1,188	553	1,741
Benefits paid	(1,195)	(611)	(1,806)
<b>Fair value of scheme assets at 31 March 2020</b>	<b>35,076</b>	<b>18,921</b>	<b>53,997</b>

### The Growth Plan

Movements in the recognised liability for payments due to the Growth Plan were:

	£000
Present value of payments at 31 March 2018	468
Interest cost	7
Contributions	(60)
Remeasurements	(122)
<b>Present value of payments at 31 March 2019</b>	<b>293</b>
Interest cost	4
Contributions	(49)
Remeasurements	(7)
<b>Present value of payments at 31 March 2020</b>	<b>241</b>

Amounts recognised in the Consolidated Statement of Financial Activities have been:

	2020 £000	2019 £000
Expenses	120	119
Past service cost	–	299
Net interest cost	93	144
Included in net (income) / expenditure	213	562
<b>Actuarial (gains) / losses</b>	<b>2,423</b>	<b>(488)</b>
<b>Total recognised (gains) and losses reported in the SOFA</b>	<b>2,636</b>	<b>74</b>

Contributions and administration fees payable in the year ending 31 March 2021 are expected to be:

	£000
The Livability Final Salary Pension Scheme	1,215
The Pensions Trust Growth Plan	50
John Grooms Pension and Assurance Scheme	530
	<b>1,795</b>

The principal assumptions used by the actuaries for the purposes of the valuation were (in nominal terms):

		At 31 March 2020	At 31 March 2019
<b>Defined benefit schemes</b>			
<i>The Livability Final Salary Pension Scheme</i>			
Discount rate		2.30%	2.40%
Rate of increase in salaries		2.70%	3.30%
Inflation assumption	CPI	1.70%	2.30%
	RPI	2.70%	3.30%
<i>The John Grooms Pension and Assurance Scheme</i>			
Discount rate		2.35%	2.40%
Rate of increase in salaries		2.60%	3.30%
Inflation assumption	CPI	1.60%	2.30%
	RPI	2.60%	3.30%
<b>Pension increases in payment:</b>			
<i>The Livability Final Salary Pension Scheme</i>			
Deferred revaluations		2.70%	3.30%
CPI maximum 5% pa		1.85%	2.35%
CPI maximum 3% pa		1.60%	1.95%
CPI maximum 2.5% pa		1.45%	1.75%
<i>The John Grooms Pension and Assurance Scheme</i>			
<b>Pension increases in payment:</b>			
CPI up to 3%		1.55%	1.95%
RPI up to 5%		2.60%	3.15%
<b>Assumed life expectancies in years on retirement at age 65 a</b>			
<i>The Livability Final Salary Pension Scheme</i>			
Pensioners (currently aged 65)	Males	21.7	21.2
	Females	23.4	23.0
Non-pensioners (currently aged 45)	Males	23.0	22.6
	Females	24.7	24.2
<i>The John Grooms Pension and Assurance Scheme</i>			
Retiring today	Males	21.7	21.2
	Females	24.2	23.7
Retiring in 20 years' time	Males	23.1	22.6
	Females	25.4	24.9
<b>The Growth Plan</b>			
Discount rate		2.53%	1.39%

Discount rates for all schemes have been set by reference to high-quality corporate bond yields with maturity profiles that correspond to the liabilities of the defined benefit schemes and the deficit recovery payments for the Growth Plan.

## Funds

	He stated Balance at 31 March 2019	Incoming resources	Outgoing resources	Unrealised gains / (losses)	Transfers	Balance at 31 March 2020
	£000	£000	£000	£000	£000	£000
<b>Designated Funds:</b>						
Maintenance reserve - Designated	10,081	–	–	–	(352)	9,729
Revaluation fund	8,796	–	–	(62)	(15)	8,719
<b>Total designated funds</b>	<b>18,877</b>	<b>–</b>	<b>–</b>	<b>(62)</b>	<b>(367)</b>	<b>18,448</b>
General Fund	17,603	41,918	(47,881)	(94)	(1,101)	10,445
<b>Unrestricted funds before pension liability</b>	<b>36,480</b>	<b>41,918</b>	<b>(47,881)</b>	<b>(156)</b>	<b>(1,468)</b>	<b>28,893</b>
Pension reserve	(4,748)	–	(212)	2,423	1,789	(748)
<b>Total unrestricted funds</b>	<b>31,732</b>	<b>41,918</b>	<b>(48,093)</b>	<b>2,267</b>	<b>321</b>	<b>28,145</b>
Education	233	210	(54)	–	(36)	353
Residential & Community Services	1,680	340	(373)	(2)	(285)	1,359
Community Engagement	57	18	–	–	–	75
Giving by Lending	57	–	–	–	–	57
F Clements Will Trust	30	–	–	–	–	30
Kingsley Hall Church & Community Centre	950	1,755	(718)	–	–	1,987
Kingsley Hall, Dagenham	765	–	–	–	–	765
Prospects	61	–	–	–	–	61
Holton Lee	263	35	–	–	–	298
<b>Total Restricted Funds</b>	<b>4,096</b>	<b>2,358</b>	<b>(1,145)</b>	<b>(2)</b>	<b>(321)</b>	<b>4,986</b>
<b>Permanent Endowment Funds</b>						
Chiswick	475	–	–	–	–	475
Highway	2,479	–	–	(4)	–	2,475
Marsh St.	922	–	–	–	–	922
Coney Hill Will	26	–	–	–	–	26
Welcome	986	–	–	–	–	986
Kingsley Hall, Dagenham	739	–	(45)	–	–	694
SHBEF	30	–	–	(2)	–	28
Shaftesbury Development	506	–	–	–	–	506
Beddington	53	–	–	–	–	53
Platt	496	–	–	–	–	496
<b>Total Permanent Endowment Funds</b>	<b>6,712</b>	<b>–</b>	<b>(45)</b>	<b>(6)</b>	<b>–</b>	<b>6,661</b>
<b>Total funds</b>	<b>42,540</b>	<b>44,276</b>	<b>(49,283)</b>	<b>2,259</b>	<b>–</b>	<b>39,792</b>

During the year, £321k was transferred from restricted funds to unrestricted funds. Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. All expenses were individually identified and satisfies the reason for the transfer from restricted to unrestricted funds.



## Note 14 Funds (Group -2018-19 restated)

	Balance at 31 March 2018 £000	Prior Period Adjustment	Restated Balance March 2018	Incoming resources £000	Outgoing resources £000	Unrealised gains / (losses) £000	Transfers £000	Restated Balance at 31 March 2019 £000
<b>Designated Funds:</b>								
Maintenance reserve - Designated	—	—	—	—	—	—	10,081	10,081
Revaluation fund	11,434	—	11,434	—	—	—	(2,638)	8,796
<b>Total designated funds</b>	<b>36,473</b>	<b>—</b>	<b>36,473</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(17,596)</b>	<b>18,877</b>
General Fund	2,937	1,561	4,498	45,592	(48,227)	(991)	16,731	17,603
<b>Unrestricted funds before pension liability</b>	<b>39,410</b>	<b>1,561</b>	<b>40,971</b>	<b>45,592</b>	<b>(48,227)</b>	<b>(991)</b>	<b>(865)</b>	<b>36,480</b>
Pension reserve	(6,500)	—	(6,500)	—	(561)	488	1,825	(4,748)
<b>Total unrestricted funds</b>	<b>32,910</b>	<b>1,561</b>	<b>34,471</b>	<b>45,592</b>	<b>(48,788)</b>	<b>(503)</b>	<b>960</b>	<b>31,732</b>
Education	1,404	(670)	734	83	(19)	—	(565)	233
Residential & Community Services	2,132	(426)	1,706	364	(81)	—	(309)	1,680
Community Engagement	56	(2)	54	63	—	—	(60)	57
Overseas	105	—	105	6	(13)	—	(98)	—
Giving by Lending	57	—	57	—	—	—	—	57
F Clements Will Trust	30	—	30	—	—	—	—	30
Faith & Hope Nurseries	78	(13)	65	—	—	—	(65)	—
Kingsley Hall Church & Community Centre	1,072	—	1,072	647	(699)	—	(70)	950
Kingsley Hall, Dagenham	1,549	—	1,549	—	(45)	—	(739)	765
Prospects	453	(392)	61	424	(424)	—	—	61
Holton Lee	58	(58)	—	266	(3)	—	—	263
Holton Lee -general	—	—	—	—	—	—	—	—
<b>Total Restricted Funds</b>	<b>6,994</b>	<b>(1,561)</b>	<b>5,433</b>	<b>1,853</b>	<b>(1,284)</b>	<b>—</b>	<b>(1,906)</b>	<b>4,096</b>
<b>Permanent Endowment Funds</b>								
Chiswick	1,956	—	1,956	—	(1,688)	—	207	475
Highway	2,613	—	2,613	—	(134)	—	—	2,479
Marsh St.	922	—	922	—	—	—	—	922
Coney Hill Will	26	—	26	—	—	—	—	26
Welcome	986	—	986	—	—	—	—	986
Kingsley Hall, Dagenham	—	—	—	—	—	—	739	739
SHBEF	30	—	30	—	—	—	—	30
Shaftesbury Development	506	—	506	—	—	—	—	506
Beddington	53	—	53	—	—	—	—	53
Platt	496	—	496	—	—	—	—	496
<b>Total Permanent Endowment Funds</b>	<b>7,588</b>	<b>—</b>	<b>7,588</b>	<b>—</b>	<b>(1,822)</b>	<b>—</b>	<b>946</b>	<b>6,712</b>
<b>Total funds</b>	<b>47,492</b>	<b>0</b>	<b>47,492</b>	<b>47,445</b>	<b>(51,894)</b>	<b>(503)</b>	<b>—</b>	<b>42,540</b>

A maintenance reserve and a revaluation reserve funds were created in line with the new reserve policy adopted by the trustees during the year. The property fund and the equipment fund were closed and transferred to reflect the change in the reserve policy.

During the year, £960k was transferred from restricted funds to unrestricted funds. Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. All expenses were individually identified and satisfies the reason for the transfer from restricted to unrestricted funds.

During the year end 2019, the endowment fund for Kingsley Hall was recognised and transferred from restricted fund to permanent endowment fund. The endowment fund was included as restricted fund under the group consolidation in earlier years.

During the year ended March 2020 a review of expenditure, identified £1.56m not allocated to restricted relating to periods before March 2018. It has been adjusted for by a transfer from restricted funds to unrestricted funds. Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. All expenses were individually identified and satisfies the reason for the transfer from restricted to unrestricted funds.

**Note 14 Funds (Group)  
(Cont'd)**

<b>Name of Fund</b>	<b>Description, nature and purpose of Fund</b>
<b>Unrestricted Funds</b>	
Property Fund	Represents the total amount (at cost less depreciation, impairment, unamortised government grants, mortgages and secured bank loans) invested in freehold and leasehold properties used for the functional purposes of the charity
Revaluation Fund	Represents the difference between depreciated historical cost and carrying value of the charity's property and investment assets resulting from revaluation
Equipment Fund	Represents the total amount at cost or valuation, less depreciation and unamortised government grants and direct borrowing, invested in fixtures and fittings and motor vehicles used for the functional purposes of the charity
General Funds	Represents undesignated monies retained to provide the working capital to enable the charity to carry out its activities
Pension Reserve	Represents the deficit in the charity's defined benefit pension schemes, as calculated under FRS 102
<b>Restricted Funds</b>	
Education	Various funds received to support individual educational establishments
Residential & Community Services	Various funds received to support individual adult support establishments and holidays, lifestyle and other operations
Giving by Lending	Monies received from individuals
F Clements Trust Fund	Income from this fund is to support the charity's general activities
Community Engagement	To support the work of the Community Engagement team and the Link Churches
Kingsley Hall Church & Community Centre	Represents the net assets of Kingsley Hall Church and Community Centre
Kingsley Hall , Dagenham	To promote social, educational and religious nature for the benefit of local residents
Holton Lee	Various funds supporting the work at Holton Lee
Prospects	Various funds brought in and maintained as part of the merger with Prospects

#### Note 14 Funds (Group) (Cont'd)

Permanent Endowment Funds	Commonly Known as	Objects
Chiswick Mission	Chiswick Highway	To promote local mission purposes To promote local church and mission purposes
Highway Evangelical Church (Stratford)		
Marsh Street Mission (Walthamstow)	Marsh Street	To promote local mission purposes
The Coney Hill Will	Coney Hill Will	To promote the education and welfare of children and young persons
The Shaftesbury Welcome Mission (Battersea)	Welcome	To promote local mission and community purposes  To promote social, educational and religious nature for the benefit of local residents
Kingsley Hall, Dagenham	Kingsley Hall SHBEF	To advance the education of children and young persons with physical disabilities
Samuel Hale Bibby Endowment Fund		To apply income to the general purposes of Livability
The Shaftesbury Development Fund	Shaftesbury Development	To benefit children and young persons by ministering to their needs; aiding their advancement in life; establishing, taking over and maintaining homes; generally promoting their education and welfare
The Beddington Fund	Beddington	To promote local mission purposes and the religious education of children and young people
Platt Mission, Putney	Platt	

**Note 15 Analysis of net assets by funds**

The assets and liabilities of the group are allocated between funds as follows:

	General £000	Designated £000	Pension £000	Restricted £000	Permanent Endowment £000	Total £000
Tangible fixed assets	11,436	23,400	–	2,268	2,272	39,375
Financial investments	484	986	–	–	929	2,399
Social investments	767	3,062	–	–	3,397	7,226
Cash	456	–	–	2,767	29	3,252
Other current assets	4,592	–	–	886	34	5,511
Current liabilities	(7,289)	(2,246)	–	(85)	–	(9,620)
Long-term liabilities	–	(6,754)	(748)	(850)	–	(8,352)
<b>Funds at 31 March 2020</b>	<b>10,445</b>	<b>18,448</b>	<b>(748)</b>	<b>4,986</b>	<b>6,661</b>	<b>39,792</b>

**Prior Year**

	General £000	Designated £000	Pension £000	Restricted £000	Permanent Endowment £000	Total £000
Tangible fixed assets	14,710	21,129	–	2,746	2,322	40,907
Financial investments	593	986	–	44	930	2,553
Social investments	2,003	3,062	–	–	3,397	8,462
Cash	87	–	–	3,688	29	3,804
Other current assets	4,656	–	–	64	–	4,720
Current liabilities	(6,007)	–	–	(85)	34	(6,058)
Long-term liabilities	–	(6,300)	(4,748)	(800)	–	(11,848)
<b>Funds at 31 March 2019</b>	<b>16,042</b>	<b>18,877</b>	<b>(4,748)</b>	<b>5,657</b>	<b>6,712</b>	<b>42,540</b>

**Note 16 Commitments and contingent assets**

	2020 £000	2019 £000
Contracted	272	711
Approved not contracted	Nil	Nil

The amount £272,000 ; 2019 (£711,000) represents the charity's financial obligation towards the development and implementation of the new Access ERP system.



## Note 17 Obligations under operating leases

Group	Land and Buildings 2020 £000	Other equipment 2020 £000	Total 2020 £000	Land and Buildings 2019 £000	Other equipment 2019 £000	Total 2019 £000
Within 1 year	662	66	728	688	74	762
in 2-5 years	1,528	-	1,528	1,553	65	1,618
over 5 years	263	-	263	629	-	629
	2,453	66	2,519	2,870	139	3,009

Charity	Land and Buildings 2020 £000	Other equipment 2020 £000	Total 2020 £000	Land and Buildings 2019 £000	Other equipment 2019 £000	Total 2019 £000
Within 1 year	662	66	728	688	74	762
in 2-5 years	1,528	-	1,528	1,553	65	1,618
over 5 years	263	-	263	629	-	629
	2,453	66	2,519	2,870	139	3,009

## Note 18 Financial Instruments

The Group's financial instrument held at fair value through the statement of financial activities may be analysed as follows;

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Financial assets at fair value though income and expenditure</b>				
Financial Investments	2,399	2,553	2,384	2,538
Social Investments	7,226	8,462	7,226	8,462
<b>Financial liabilities at fair value through income and expenditure</b>				
Interest rate options	(173)	(173)	(173)	(173)
Secured loans				
<b>Financial liabilities measured at amortised cost</b>				
Bank loans	(9,850)	(7,100)	(9,000)	(6,300)
Trade creditors	(2,440)	(1,189)	(2,379)	(1,191)
Amounts due to subsidiaries		-	(48)	(16)

## Note 19 Related Parties

### Trustees

Trustees receive no remuneration in respect of their services as Trustees of Livability. Travel and other out of pocket expenses were reimbursed to 7 Trustees in the year to the value of £3,464 (2019: £2,981) and the cost of providing training to Trustees in relation to their duties was nil (2019: £Nil).

Livability paid £5,040 (2019: £4,783) in the year to provide indemnity insurance for the Trustees.

Livability received donations of £1,040 (2019: £2,511) from the Trustees

	Shaftesbury Society £000	Livability Icanho Limited £000	Kingsley Hall Church and Community Centre £000	Livability Contracting Services Limited £000	East Holton Charity £000	Holton Lee Limited £000	Prospects for People with Learning Disabilities £000
<b>2020</b>							
<b>Balance sheet amounts</b>							
Amounts due to Parent undertaking	-	-	294	-	-	42	0
Amounts due from Parent undertaking	16	2	-	23	-	-	-
<b>Income</b>							
Donation from Parent Charity	-	-	-	-	-	-	-
<b>Expenditure</b>							
Charitable Donations paid	-	53	-	-	-	-	-
<b>2019</b>							
<b>Balance sheet amounts</b>							
Amounts due to Parent undertaking	-	-	170	2	-	24	-
Amounts due from Parent undertaking	15	2	-	-	-	-	10
<b>Income</b>							
Donation from Parent Charity	-	-	8	-	-	-	-
<b>Expenditure</b>							
Charitable Donations paid	-	118	-	2	-	33	-

## Trusts and Supporters 2019–20

As well as the organisations listed below for their contributions towards our work, we also extend our thanks to those organisations who wished to remain anonymous; the families of those who remembered Livability in their Wills, and the thousands of generous individuals whose support makes such a huge difference to our work.

### Trusts and Foundations

The Hobson Charity  
The City Charity Trust  
People's Postcode Trust  
Audrey Knowles Charitable Trust  
The Valentine Charitable Trust  
The Thomson-Bree Charitable Trust  
The Nora and Olive Brewer Memorial Trust  
Pemberton-Barnes Trust  
The Eveson Charitable Trust  
The Constance Travis Charitable Trust  
The Inman Charity  
The Alice Ellen Cooper-Dean Charitable Foundation  
The Bassil Shippam & Alsford Charitable Trust  
Princess Anne's Charities  
The Edith Murphy Foundation  
Joan Ainslie Charitable Trust  
Haskins Charitable Fund

### Supporters

Pauline Fryer  
Katharine Tollis  
Roger Parsons  
David Smith & Julia Stanton  
John Hyde  
Thomas Cook Children's Charity  
Altro  
Asta UK  
Croham Road Baptist Church  
Rourke Cycles  
Friends of Brackley  
Friends of Dolphin Court  
Friends of John Grooms Court  
Friends of Keefield Close  
Friends of Nash College  
Friends of Netteswell Rectory  
Friends of North East  
Friends of Victoria Education Centre  
Friends of York House Ossett

## Organisational Details

**Patron:** Her Royal Highness, The Princess Royal

**Vice-Patrons:** The Rt Hon The Earl of Shaftesbury, Nicholas Ashley-Cooper

**President:** The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury

**Senior Vice-President:** Baroness Valerie Howarth of Breckland OBE

### Vice-Presidents:

Lord Donald Curry of Kirkharle CBE Prof Ram Gidoomal CBE

David Harmer Roy McCloughry

The Rt Hon Lord McColl of Dulwich CBE Sarah Omond

Pamela Rhodes

The Revd Canon Roger Royle Revd Michael Shaw

The Rt Revd and Rt Hon the Lord Williams of Oystermouth

### Trustees:

Kate Clare, Chair of Trustees (appointed as Chair on 29 July 2019); Chair of Safeguarding Board

Sally Chivers (appointed as Chair 25 July 2018, resigned as Trustee and Chair on 29 July 2019)

John Weaving, Chair of Audit Committee (appointed 16 January 2020)

Peter Woodall (appointed 16 January 2020)

Canon Sue Johns, Chair of Services Quality Committee (appointed 16 January 2020)

Heather Laffin (appointed 16 January 2020)

David Bentley (resigned on 4 July 2019)

Angus Brown

Anne-Marie Costigan (term ended on 16 January 2020)

Keith Hickey (term ended on 16 January 2020)

Brian James (resigned on 12 December 2019)

Revd Agnita Oyawale (term ended on 16 January 2020)

Craig Philbrick (resigned on 15 July 2019)

John Robinson CBE, Vice Chair of Trustees (appointed on 29 July 2019) and Chair of Strategic Business Committee

Andrew Wilson

**Senior officers:**

Chief Executive Officer – Sally Chivers (appointed 29 July 2019)

Executive Director of Operations – Jane Percy (appointed 11 May 2019)

Executive Director of People and Change – Wande Showunmi (appointed 4th March 2019 and resigned 14th May 2021)

Finance Director – Tony Brown (appointed 1 November 2019 and resigned 11 December 2020)

Executive Director of Engagement & Transformation – Clare Elwin (appointed 28 May 2019, contract ended 28 November 2019)

Executive Director of Resources – Alex Botha (resigned 31 October 2019)

Executive Director of Education – Dan Alipaz (appointed 13 June 2019 and resigned 20 June 2020)

Executive Director for Education Adele Audin (appointed 19 January 2021)

Company Secretary and General Counsel – Mark Harvey (appointed 22 October 2019)

Finance Director - Nigel Armitt (appointed 29 December 2020)

**Principal Solicitors:** Mills & Reeve LLP, 24 Monument Street, London EC3R 8AJ

**Principal Bankers:** Metro Bank plc, One Southampton Row, WC1B 5HA

**Auditors:** BDO LLP, 55 Baker Street London W1U 7EU

**Principal Surveyors:**

**Property Valuers:**

Cluttons LLP, 2 Portman Street, London, W1H 6DU

Mass & Co, 25 High Street, Brentwood, Essex CM14 4RG

Bruton Knowles, Greybrook House, 28 Brook Street, London W1K 5DH

**Registered and Central Office:** Livability, 6 Mitre Passage, London SE10 0ER

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