

**The Congregation
of the Little
Sisters
of the Poor
Charitable Trust**

Annual Report and Accounts

31 December 2015

Charity Registration Number
234434

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Reference and administrative information

Trustee	<p>The Trustee of the charity is The Congregation of the Little Sisters of the Poor Trustee Company Limited, a limited liability company (Company Registration Number 867949).</p> <p>The directors of the corporate trustee during the year were:</p> <p>Caroline Lloyd Margaret Ashton Deirdre McCormack Josephine Storey</p>
Provincial Superior	Caroline Lloyd
Provincial Bursar	Margaret Ashton
Principal office	St Peter's Home 2a Meadow Road South Lambeth London SW8 1QH
Telephone	020 7735 0788
Fax	020 7582 0973
Charity registration number	234434
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Royal Bank of Scotland plc 62/63 Threadneedle Street London EC2R 8LA
Principal solicitors	Hunters Solicitors 9 New Square Lincoln's Inn London WC2A 3QN

Trustees' report 31 December 2015

The directors of the corporate trustee (hereafter referred to as the trustees) present their statutory report together with the accounts of The Congregation of the Little Sisters of the Poor Charitable Trust (the "charity") for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 31 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

INTRODUCTION

The Congregation of the Little Sisters of the Poor (the "Congregation") is an international Roman Catholic religious congregation with 2,210 Little Sisters worldwide, including 29 novices and 14 postulants at 31 December 2015. It was founded in Brittany, France by Jeanne Jugan, who took into her home a poor, blind elderly lady and gave up her own bed. From this gesture the Congregation spread throughout the world. The Generalate of the Congregation is located in Brittany, France and the Congregation is divided into 20 Provinces across the world.

The accounts accompanying this report include the accounts of the charitable trust on which the assets of the Congregation in England and the Channel Islands are held.

MISSION

The object of the Congregation of the Little Sisters of the Poor Charitable Trust, as set out in its governing document, is the spiritual welfare of its members and hospitality towards the elderly poor.

The English Province of the Congregation of the Little Sisters of the Poor Charitable Trust aims to support the religious and other charitable works carried on by the members of the Congregation and to care for those members throughout their lives with the Congregation. These ministries of the Sisters of the Congregation, all of which benefit numerous members of the general public, fall into the two main areas: caring for members of the Congregation; and the ownership and operation of nine Care Homes for the elderly.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of individual Sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Congregation proposes to its members the following of Jesus Christ through the profession of the evangelical counsels, in order to show forth – according to the words and teaching of Our Lord – the Kingdom of Heaven as a luminous sign. (*Constitutions of the Congregation*).

MISSION (continued)

The particular mission of the Congregation of the Little Sisters of the Poor is the apostolate to the elderly poor, in fidelity to the charismatic inspiration of Jeanne Jugan. By the vow of hospitality the Sisters promise God to consecrate themselves to the service of the elderly poor, according to the apostolic purpose of the Congregation and according to its Constitutions. The object of the vow is to practise the corporal works of mercy, in view of the salvation of souls and to spare no effort to attain this end. Each one in the community brings her collaboration to the common tasks. (*Constitutions of the Congregation*).

The works or ministries of the Sisters of the Congregation fall into the following main areas:

Worship and prayer

Members of the Congregation are given the opportunity for private worship and to continue to develop their knowledge and trust in Jesus and the Church through quiet prayer, study of the Gospel and spiritual development. In addition, members of the Congregation celebrate and pray with the wider community including people of all faiths and none. They do this through the celebration of the Liturgy and church services.

Social and pastoral work

The sole apostolate of the Congregation is the care of the elderly poor, of all nationalities and beliefs, in Homes providing residential and nursing care. Its social and pastoral work is extended to the elderly of the neighbourhood who are welcomed to the Homes on a daily basis and who often participate in the Luncheon Clubs run by the Homes.

Operation of residential and care establishments

During the year the Sisters provided care and assistance to the elderly at nine establishments owned and operated by the charity, in Birmingham, Bristol, Jersey, Leeds, London (Stoke Newington and South Lambeth), Manchester, Newcastle and Preston. All Homes provide high quality care for members of the general public and those members of the Congregation in need of care in their later years.

Overseas missionary work

The charity also occasionally helps support Sisters working in healthcare and social and pastoral fields in the Homes of the Congregation in poorer countries, thereby helping some of the world's poorest and most disadvantaged people.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES

Activities and specific objectives

The Congregation of the Little Sisters of the Poor Charitable Trust aims to support the religious and other charitable ministries carried out by the sisters of the Congregation. In the main these ministries centre around the provision of hospitality, residential and nursing care to the aged poor of both sexes.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

To this end the charity operates nine nursing and residential care homes situated in Birmingham, Bristol, Jersey, Leeds, London (Stoke Newington and South Lambeth), Manchester, Newcastle, and Preston.

Within this work, the charity is also responsible for caring for members of the Congregation.

Care Homes

The philosophy of care is:

- ◆ to uphold, in conformity with Christian values and the teachings of the Catholic Church, the sacredness of human life in all its stages;
- ◆ to respond to the desires and aspirations of the elderly residents and, in particular, recognising:
 - a. their dignity, their desire to be respected, esteemed and loved, and the longing to feel useful;
 - b. their apprehension of solitude, together with the wish for a certain independence and privacy;
 - c. the need for security, in health as in sickness, until death;
- ◆ to respect human dignity which does not consist in being able to choose the time of one's death, but in being aware of the fact that one's basic right is the right of respect for life;
- ◆ rejection of all passive and active practices of euthanasia.

The tangible fixed assets of the charity are necessary for the work that is done by the Sisters. However, the running costs of the Homes are not compensated by the income that is generated through subsidies from Local Authorities. Without the fundraising activities and daily collections that are made by the Sisters, the Homes would cease to function. The Sisters rely on the help of benefactors and this has been so from the earliest beginnings.

Details of the Homes are given in the table overleaf. Each Home includes lounges, a library, a Chapel, a shop for use by residents, a hairdressing facility, an arts and crafts complex, a medical suite, a concert hall for residents' entertainment and day facilities for the elderly of the locality.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Care Homes (continued)

Name of Home	Address	Number of rooms	Additional facilities
St Joseph's Care Home	71 Queens Park Road Harborne Birmingham B32 2LB	37 en suite with ancillary services	12 Independent living apartments
St Joseph's Care Home with Nursing	66 Cotham Hill Bristol BS6 6JT	40 en suite with ancillary services	
Jeanne Jugan Care Home and Independent Living Complex	New St John's Road St Helier Jersey Channel Islands	70 en suite with ancillary services	20 Independent living apartments
Mount St Joseph's Care Home and Independent Living Complex	Shire Oak Road Headingley Leeds LS6 2DE	45 en suite with ancillary services	23 Independent living apartments
St Peter's Care Home and Independent Living Complex	Meadow Road South Lambeth London SW8 1QH	56 en suite with ancillary services	20 Independent living apartments
St Joseph's Care Home	52 Plymouth Grove West Manchester M13 0AR	52 en suite with ancillary services	2 Independent living apartments
St Joseph's Care Home	Westmoreland Road Newcastle-upon-Tyne NE4 7QA	57 en suite with ancillary services	
Jeanne Jugan Care Home	228 Garstang Road Preston PR2 9RB	38 en suite with ancillary services	
St Anne's Care Home and Independent Living Complex	Manor Road Stoke Newington London N16 5BL	32 en suite with ancillary services	19 Independent living apartments

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Care Homes (continued)

In common with many religious Congregations in England, the age profile of the members of the Congregation is increasing as existing members grow older and the number of new vocations becomes minimal. The age profile of the Congregation in England is shown below:

Age range	Number of Sisters
30 to 39 years	2
40 to 49 years	4
50 to 59 years	9
60 to 69 years	14
70 to 79 years	29
80 to 89 years	22
90 years and over	9

The Congregation has an obligation, both moral and legal, to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to the care of the elderly poor and marginalised in society. As the age profile of the Congregation increases, so too does the need to provide increasing and increasingly expensive care to the Sisters. As the Sisters become elderly and in need of care they are cared for in the Community to which they are assigned.

As a consequence, the trustees are giving careful consideration to the impact of this on the work of individual members of the Congregation, the property requirements of the Congregation and the financial implications. In this regard, the aims of the trustees over the forthcoming years include:

- ♦ ensuring all members of the Congregation receive the high level of care they require;
- ♦ reviewing the charity's properties to provide adequate space to enable the elderly Sisters to be cared for; and
- ♦ enabling all members of the Congregation to continue with their individual ministries for as long as possible.

Associates

The Association Jeanne Jugan, approved by the Church on 5 September 1998, offers to lay men and women the opportunity of sharing in the spiritual riches of the Little Sisters of the Poor, of participating in their apostolic mission of hospitality to the needy elderly and of helping to spread the charisma of Jeanne Jugan in the milieus where they live and work.

There are presently 141 members in England.

OBJECTIVES, SPECIFIC ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

Volunteers

Throughout the year, volunteers give their time to assist the elderly in the Care Homes. They receive no financial reward for this work which contributes to the overall achievement of the charity's objectives. In addition, members of the Association Jeanne Jugan are involved in administering the work of the Congregation and the charity. Without their contribution the charity would not be able to function as effectively or as fully as it does. Details of the areas in which volunteers and members gave their time are shown in the table below:

	No of volunteers
Reception	34
Assisting residents	12
Driving	15
Administration	6
Animation	50
Library	7
Catering	1
Spiritual	8
Maintenance	2
Serving teas	13
Shop	24
Garden	10
Flower arranging	3
Music	1
Arts & Crafts	21
Fundraising	39
Total	246

Protection of Children and Vulnerable Adults

Along with all other organisations who serve in the community, the trustees recognise the absolute necessity of ensuring the protection and safety of all those the charity serves. This means that all Sisters who are in any kind of ministry in England have to obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS). The Congregation of the Little Sisters of the Poor Charitable Trust is a Registered Body with the DBS and has a registered lead signatory and ten counter-signatories.

Grants, donations and other payments in support of missionary work and ministry

The Congregation may make modest donations in exceptional cases and with authorisation from the Superior General or the Superior Provincial, as the case requires. The charity supports the work of the Congregation in Africa, the funds being raised by the sale of goods made by residents in the arts and crafts department of the Homes.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Throughout the year Sisters continued to up-date their professional skills. Some Sisters are currently being trained in Leadership and Management Awards, National Certificate of Further Education in: Quality and Diversity, Principles of End of Life Care and Principles of Dementia. Others courses that are on-going are: Health & Safety, Certificate in the Safe Handling of Medicines, Food Safety in Catering, Safeguarding and the Mental Capacity Act.

Care Homes

The trustees are aware of the importance of the care of the elderly in every aspect and, in particular, of the mission and ethos of the Little Sisters of the Poor in their care of elderly people. The Homes are supported on a national level by qualified personnel and consultancy services. The Care Home Advisor, David Colborn MA, BSc, RGN, Dip. Nurs., Certd. Ed. visits the Homes on a regular basis. David updates the Care Managers on issues surrounding the care of the residents and reviews the policies three yearly. He recently attended a course on Fire Prevention which has enabled him to carry out the necessary inspections of the buildings. He also gives courses to the staff on Tissue Viability and Managing Continence.

Claudia Pineda is the Moving and Handling Co-ordinator, training staff in the correct procedures in this area. She is updated on an annual basis. There are also Moving and Handling facilitators at each Home. She also oversees the Care training session, induction and on-going, using Skills for Care, and as part of the induction supports carers in acquiring their Care Certificates.

The trustees are also aware of the importance of ensuring that the Homes are financially viable and have appointed a Group Purchasing Manager, David West, to negotiate and review contracts, and obtain the best deals in every aspect of purchasing. David operates from the Provincial House in London and is in constant contact with the Managers of the Homes, advising and negotiating discounts with suppliers before placing orders.

Because of the number of employees involved in each Home and complexity of employment law, the Sisters have contracted the services of Peninsula Business Services. An advice line is available 24 hours a day 365 days a year. Contracts of Employment and related documents are in line with current legislation and have been drawn up with the support of the Peninsula Business Services, and material is up-dated as necessary. Training sessions are a part of the package and these are attended by Management and Personnel Officers on a regular basis.

Janet Melbourne is sub-contracted to oversee the management of the local HR team in the Homes and to advise as necessary.

The staff from Directory of Social Change have had a large input into the training of staff in various areas in Communication and Developing Effective Relationships, and these courses will continue in the coming year. These courses have been appreciated by the staff and all appear to have benefitted fully.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Care Homes (continued)

The Homes of the Little Sisters of the Poor are supported by Local training Centres for the training of staff to required levels.

During the past year Distant Learning Courses were put in place for Sisters and staff members, particularly in the field of Dementia. This has made an immense difference in helping to understand the elderly who are in the early stages of Dementia.

St Joseph's Care Home with Nursing, Birmingham

St Joseph's Care Home in Harborne, Birmingham provides care for 37 residents. The Home also has 12 Independent-Living Apartments.

Works during the year involved repairs on the lift in the independent living apartments and continuation of the work on the renewal of the heating and hot water boilers systems through the Home. This work was made possible thanks to an appeal in local Churches.

St Joseph's Care Home with Nursing, Bristol

St Joseph's, Bristol, is registered to provide accommodation and personal care for 40 elderly people of modest income who are 65 and over. Within this they can provide support for up to six people who also require nursing care. There are 40 individual, en-suite rooms, with showers.

During the year the Home has renewed several showers and wet floors in the residents' rooms and a commercial dryer in the laundry. Several of the residents' rooms have also been decorated. The fire detection and alarm system in the laundry and staff rooms is being installed, and the flooring on the second floor is being renewed. The Home and all connected with it remain truly grateful to all those who gave donations and other financial support during the year.

Jeanne Jugan Care Home with Nursing, Jersey, Channel Islands

Jeanne Jugan Care Home in Jersey, Channel Islands, provides care for 70 Residents of modest income, with an Independent Living Complex for 18 Residents. The Home is registered as a Care Home with Nursing.

During the year it was necessary to repair pipework and bring to the surface a manhole which is buried in a ramp, because of repeated flooding and dampness within the main building.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Care Homes (continued)

Jeanne Jugan Care Home with Nursing, Jersey, Channel Islands (continued)

Pelmets were replaced in seven rooms on one of the units to suit new windows, and a bath was installed to replace a shower in one of the apartments, for which a grant covered the cost. The kitchenettes in four units and the Parlours were completely refurbished, thanks also to a grant making trust which covered the cost. It was also necessary to replace the fire doors in the main kitchen basement together with door closer and gas alarm interface to comply with fire safety regulations. Various sign posts were purchased for the grounds and bedding was purchased for all the units and visitors' rooms. Other items purchased were window blinds, door protectors and curtains for the main corridor of the Home. The sliding patio doors in the staff dining room were replaced and the balances of the windows in the convent area adjusted.

Mount St Joseph's Care Home with Nursing, Headingley, Leeds

Mount St Joseph's provides care for 45 elderly people of modest income. There are also 23 independent-living apartments with full occupancy.

During the year, as a result of an investigation into a drain which kept blocking, it was necessary to excavate and reroute the drain from the existing soil stack to an external inspection chamber.

The gas system in the kitchen was updated, following the annual gas catering safety inspection servicing. It was also found necessary to repair the lightning detector.

Other purchases made during the year were: beds, Malibu baths, window blinds, a hygiene chair for the needs of the more dependant residents, a television and office furniture.

It was also decided to change the system of table service to restaurant-style plated service which would have the advantage of serving the meals at the correct temperature and reducing waste. A bain-marie trolley and trays were purchased for the dining room to enable this to happen.

Other items that needed attention were: the refurbishment of the inside of the two main lifts, the replacement of the actuator in the boiler room which controls the temperature of the water arriving at the taps, the on-going changing of 50 thermostats on the radiators, the renewal of flooring/carpets in residents' rooms, the renewal of curtains in several rooms, the renewal of house linen, the replacement of two ground floor exit doors in the kitchen area and the replacement of two patio doors.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Care Homes (continued)

St Anne's Care Home with Nursing, Stoke Newington, London

St Anne's provides care for 32 elderly people of modest income and was opened, after reconstruction, in October 2008. There are also 19 Independent Living Apartments. The Home being relatively new means that only a few small items of repairs were dealt with during the year, and several dishwashers replaced.

St Peter's Care Home, South Lambeth, London

St Peter's is a Residential Care Home registered for 56 places for elderly people with modest income who are 65 and over. There are also 20 independent-living apartments for elderly people with modest income who are capable of living independently. While maintaining a high level of occupancy, the Home continues to receive a large number of applications.

Training of staff has continued to be a priority in order to ensure a high standard of care. We are grateful also for the commitment of our volunteers who contribute so much to the joy and happiness of our residents. The most major project during the past year was the renewal of the emergency lighting system throughout the Home. It was found necessary to replace a bath and hoist, dishwashers, computers and printers and buffers. This was made possible through the generosity of benefactors.

St Joseph's Care Home with Nursing, Manchester

St Joseph's, Manchester, is registered for 52 places. Staff and volunteers ensure that the standard of care given is high and this is confirmed by recent Inspection reports. Every effort is made to ensure that residents' needs are met, their dignity maintained and their well-being assured.

During the year a number of failed emergency lighting units were replaced around the Home and various items, washing machines and mattresses replaced.

An extensive professional survey of the Home has taken place over the past year and plans have been drawn up to refurbish the interior of the Home fully to all bedroom/corridor areas and partially to other ancillary areas. The decision has been made to proceed in phases which will have the added advantage of being able to keep the Home operational during the works.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Care Homes (continued)

St Joseph's Care Home with Nursing, Newcastle

St Joseph's, Newcastle, underwent a huge refurbishment programme in the 1990s and the Home is well maintained as are the extensive gardens that surround it. It provides places for 57 elderly residents of modest income. Staff are devoted and most of them have been in employment at the Home for many years.

The main project during 2015 was to change the flooring on the ground floor corridor from one end of the house to the other.

Jeanne Jugan Care Home with Nursing, Preston

Jeanne Jugan Residence provides 38 places for elderly people with modest income. The Home has been renovated in latter years, as much as is reasonably possible given the age of the building, to give more comfort to the residents. The services provided are appreciated by the residents and families who often express their satisfaction. We are accredited providers with Lancashire County Council.

During the last year several bedrooms have been redecorated and some of the chairs and washing machines in the Home were replaced.

The following table summarises some of the important statistics regarding the Homes:

	Occupancy %	Residents In Care	Residents In Independent living	Residents' deaths In year	Staff full time	Staff part time
St Joseph's Birmingham	97	37	12	7	9	67
St Joseph's Bristol	96	40	—	6	16	55
Jeanne Jugan Residence Jersey	88	60	20	17	78	22
Mount St. Joseph's Leeds	84	45	23	11	11	68
St Anne's, Stoke Newington, London	97	32	19	7	19	34
St Peter's London	100	56	20	13	11	72
St Joseph's Manchester	92	52	2	15	17	69
St Joseph's Newcastle upon Tyne	93	57	—	16	8	79
Jeanne Jugan Residence Preston	92	38	1	16	9	62

FINANCIAL REPORT FOR THE YEAR

Results for the year

A summary of the results for the year can be found on page 24 of the attached accounts.

Income has increased by £1,342,190 (2014 – £533,069 decrease) compared to the previous year and amounts to £16,431,641 (2014 – £15,089,451).

Total income from the provision of residential and care services grew by £809,074 (2014 – increase of £468,840). Nevertheless this increase is insufficient to keep pace with rising costs. The charity remains very dependent on voluntary income – both general donations and legacies.

The trustees continue to be extremely grateful to all those who provide financial assistance to the charity, thus enabling it to continue its invaluable work.

Expenditure increased from £16,892,742 in 2014 to £17,151,730 in 2015. The trustees keep a tight control over costs but expect that costs will rise as the homes have to meet the increasing requirements of legislation affecting the care sector. The majority of the charity's expenditure represents the operating costs of the Congregation's care homes and a significant proportion of this relates to staff costs which have risen by rates higher than inflation over the past few years reflecting, in particular, the national shortage of qualified nursing and care staff. Fundraising and administration costs are well controlled and represent only a small proportion of total expenditure.

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of free reserves should be approximately equal to between 3 and 6 months' expenditure. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Investment policy

The Congregation does not hold investments and accepts neither revenues nor other forms of guaranty in perpetuity. The work is entrusted to Providence, which has manifested itself in such a remarkable way since the beginning of the Congregation.

Financial position

The balance sheet shows total funds of £48,703,889 (2015 - £49,423,978). Of this, £47,569,224 (2014 - £48,574,696) is designated as the tangible fixed assets fund. This represents the net book value of the charity's tangible fixed assets used to support the work of the sisters less the value of long term loans obtained in order to finance major property improvements. A further £66,703 (2014 - £212,168) represents restricted monies received for specific purposes.

FINANCIAL REPORT FOR THE YEAR (continued)

Financial position (continued)

Free reserves, therefore, are those shown on the balance sheet as general funds and at 31 December 2015 showed a surplus of £1,067,962 (2014 – £637,114), significantly below the amount required under the reserves policy set out above.

This situation highlights the dependency of the charity on continuing voluntary income to fund the shortfall between operating costs and residential and care charges. The trustees are confident that free reserves will increase and, over the medium term, grow to a level that is consistent with the reserves policy set out above.

The charity's assets

Acquisitions and disposals of tangible fixed assets during the year are recorded in the notes to the accounts.

POST BALANCE SHEET EVENT

Subsequent to the year end, the charity's trustees have carried out a detailed review of the charity's activities including consideration of the future options with regard to the care homes. This review was carried out with care and in the light of the charity's overall financial position and its long term commitment to care for the members of the Congregation and to support their ministry. Advice was sought from the charity's professional advisers also.

The conclusion of this review was that, with great sadness, the charity should explore seriously the opportunities available to transfer the home at Preston to another care provider. Since the year end discussions have continued with the aim of making this a reality.

The decision taken to transfer the home in Preston to another provider was not easy and the trustees would like to take this opportunity to thank all those who worked at the Home – both staff and volunteers – for their tremendous support and help over the years. It is they who have made it a special place where residents could receive support and care of the very highest standard. The trustees are confident that their decision will ensure the long term future of the Home and its continuing success.

PLANS FOR FUTURE PERIODS

The trustees do not anticipate any significant change to the charity or its activities over the next two to five years. It is their intention to continue to meet the following objectives:

- ◆ To continue to care for the Sisters and enable them to carry out their work in the care of the elderly.
- ◆ To continue to operate care Homes for the elderly and in particular:
 - ◇ to provide the highest possible quality of care for the residents in a dignified and friendly environment;

PLANS FOR FUTURE PERIODS (continued)

- ◇ to achieve average occupancy rates in excess of 95%;
- ◇ to meet the requirements laid down by the Care Standards Act 2000 and attain high success rates in inspections carried out by the Care Quality Commission;
- ◇ to continue a programme of maintaining the Homes to a high standard;
- ◇ to continue to employ high quality staff and ensure that they are given appropriate and relevant training;
- ◇ to attain a high awareness of Health & Safety issues, training staff and volunteers in their important role in this field.
- ◇ to monitor the needs of the Sisters as they grow older and, if necessary, adapt the charity's plans in respect of property needs and the provision of care to elderly members.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

In terms of Canon law, the Congregation is governed at an international level by the Superior General and her General Council in Brittany, France. They are elected every six years at a General Chapter consisting of a meeting of representatives of all provinces of the Congregation. The English Province is governed by the Provincial who is named by the Superior General with the deliberative vote of her Council. Members of the Provincial Council are named by the Superior General with the consultation of her Council. Each community in the English Province is governed by a local superior, who is appointed by the Superior General with the deliberative vote of her Council. The Provincial is required to make a Canonical Visitation in each community at least every eighteen months, with shorter visits throughout the year. There is a system of accountability operational throughout the Province to ensure that the Provincial Superior and her Councillors are aware of the progress and development of the ministries carried out by the Sisters of the Province. A visit by the Superior General is made to the English Province during her term of office.

In terms of Civil law, the charity is governed by a trust deed dated 5 May 1964 and is a registered charity – Charity Registration No. 234434. The trustees of the charity are the three members of the Provincial Council and one other member who is a local Superior. As all trustees are members of the Congregation they have a detailed knowledge of the work of the charity and of its structure.

As all trustees are members of the Congregation of the Little Sisters of the Poor, their living and personal costs are borne by the charity. However, they receive no remuneration or expenses for their services as trustees.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts and brief biographical details on each of the trustees is given below.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Sister Caroline Lloyd

Sister Caroline Lloyd joined the Congregation in 1972. She is currently the Provincial Superior of the English Province. Since entering the Congregation she trained as a nurse at St James's Hospital, Leeds, and has held the post of deputy Manager and Manager in several Homes in France, mainly in Rennes and Paris.

Sister Mary Chantal (Margaret Ashton)

Sister Mary Chantal joined the Congregation in 1958. She is the Provincial Bursar with overall responsibility for the finances of the charity. Since joining the Congregation she has received training in accountancy and book-keeping.

Sister Deirdre Mary Francis (Deirdre McCormack)

Sister Deirdre joined the Congregation in 1992, having previously obtained a BSc degree in Nursing at Cambridge. She also has obtained NVQ Level 4 in Management and Leadership. Since entering the Congregation she has served as Unit Manager in the Homes of the Little Sisters in Dundee, Lyon, Dijon and Paris, and as Deputy Manager and Registered Manager in Newcastle, Preston and Manchester, and is currently serving as Registered Manager at St Peter's, Vauxhall, London.

Sister Josephine (Josephine Storey)

Sister Josephine joined the Congregation in 1966. She trained as a Registered General Nurse at St James's Hospital, Leeds, and has held the post of deputy Care Home Manager and Care Home Manager at the charity's Homes in Bristol and London. She is now Manager of the Care Home with Nursing in Manchester.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Statement of trustees' responsibilities (continued)

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. 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.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regard to the charity or its activities and make any important decisions.

When necessary, the trustees seek advice and support from the charity's professional advisers including property consultants, managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the appropriate members of the Congregation or senior staff.

The English Province comprises 90 Sisters who live as part of nine communities. Two of the community houses are situated in London, one in the South West, one in Jersey, one in the West Midlands, one in Yorkshire, two in the North West and one in the North East. The community houses are located in those areas of towns and cities where it is believed that the Sisters can provide the most help to the poor and marginalised. Often these areas are socially deprived areas desperately in need of the care and pastoral work carried out by the Sisters. As stated above, each community has a local superior appointed by the Superior General. The local superior is responsible for both the needs and the care of the Sisters in her community and she liaises regularly with the trustees. All local superiors meet together once or twice a year with the trustees to discuss developments and future plans and strategy.

The day to day responsibility for the Homes is in the hands of the Registered Care Manager, who is the Mother Superior at each location. They liaise regularly with the Provincial Superior concerning the running and maintenance of the Home. They are supported and aided by a Local Council of two members who are named by the Superior General with the consent of her Council.

St Joseph's, Birmingham

Registered Manager: Sister Isabella Donnelly is a Registered General Nurse who has over forty years' experience of nursing and caring for the elderly in a care home environment.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management reporting (continued)

St Joseph's, Bristol

Registered Manager: Sister Annie Frain is a Registered General Nurse who has over forty years' experience of nursing and caring for the elderly in a care home environment. Sister Catherine McKinlay is a Registered General Nurse with over forty years of experience of nursing and caring for the elderly and leading a Community. She is currently the Mother Superior of the Community.

Jeanne Jugan Residence, Jersey

Registered Manager: Sister Catherine Harvie is a Registered General Nurse with over forty years' experience of nursing and caring for the elderly in a care home environment.

Mount St Joseph's, Leeds

Registered Manager: Sister Sheila Doyle has over thirty years' experience of caring for the elderly in a care home environment.

London – St Peter's, South Lambeth

Registered Manager: Sister Deirdre McCormack is a Registered General Nurse who has over twenty years' experience of caring for the elderly in a care home environment.

London – St Anne's, Stoke Newington

Registered Manager: Sister Maureen Wright is a Registered General Nurse who has over forty years' experience of caring for the elderly in a care home environment.

St Joseph's, Manchester

Registered Manager: Sister Josephine Storey is a Registered General Nurse who has thirty years' experience of caring for the elderly in a care home environment.

St Joseph's, Newcastle Upon Tyne

Registered Manager: Sister Marie Claire Brennan is a Registered General Nurse who has twenty-five years' experience of caring for the elderly in a care home environment.

Jeanne Jugan Residence, Preston

Registered Manager: Sister Catherine McGuire has over forty years' experience of caring for the elderly in a care home environment.

Working with other organisations

The charity works closely with a number of other charities and public bodies which work in the field of providing care to the vulnerable and the elderly. Working together in this way enhances communication and understanding thus enabling services to the elderly to be provided more efficiently and effectively and avoiding duplication of effort.

Examples of the organisations with which the Sisters have worked and the charity has cooperated during the year are as follows:

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Working with other organisations (continued)

- ◆ The Roman Catholic Dioceses of Birmingham, Clifton, Portsmouth, Leeds, Westminster, Southwark, Salford, Hexham & Newcastle and Lancaster
- ◆ Care Quality Commission
- ◆ NHS
- ◆ Social Services
- ◆ Training Centres

Risk Management

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

This work has identified a number of key risks for the charity which are described below together with the principal ways in which they are mitigated:

- ◆ An analysis of the age profile of the members of the Congregation shows that the average age in the Province at 31 December 2015 was 74 years. The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Sisters have resources of their own as all earnings, pensions and other income have been donated to the charity. As the age profile increases, so too does the need to provide care for the Sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by claiming state pensions and attendance allowance when entitled to do so (b) ensuring that processes are in place to review regularly the ministries and needs of individual Sisters encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk Management (continued)

- ◆ Operationally the work of the Charity is the care of the elderly of modest means. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that Sisters engaged in any ministry in Great Britain and Jersey, Channel Islands, and all those who work or volunteer for the charity must obtain clearance from the Disclosure and Barring Service (DBS). The trustees are committed fully to implementing the policies of the Catholic Safeguarding Advisory Service (CSAS). One of the Sisters is responsible for ensuring this policy is adhered to in respect to all Sisters, employees and volunteers. In addition, the trustees have established that each Home has a nominated person and this Safeguarding Team meets during the year to discuss any problems that may have arisen. They are regularly in communication by email and phone and on-going safeguarding training is provided. Internal policies are reviewed and up-dated and Sisters, staff and volunteers are kept informed about good practice in work and ministry.
- ◆ The charity donates occasional sums in support of the wider Congregation. The vast majority of donations sent overseas are to fund projects administered directly by members of the international Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a full written report of how the monies have been utilized and applied is obtained from the recipient.
- ◆ The Charity does not hold investments. The charity's principal asset comprises buildings which are essential for the work of the charity and which are maintained to a high standard.
- ◆ The charity has a management committee comprising care professionals and legal and financial professionals. Members of this committee advise the trustees of the myriad of clinical, care and other risks associated with the operation of the care homes including, for example, safeguarding; the chronic shortage of qualified nurses and care assistants; the impact of the planned changes in the provision of care funding, and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.

Key management

The trustees consider that they together with the Registered Care Managers of each of the charity's care homes comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees and the Registered Care Managers are members of the Congregation and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

The trustees wish to record their recognition of the professionalism and commitment of all their staff, volunteers and the individual members of the Congregation. Their dedication and positive approach are very much appreciated.

Approved by the Directors of the Corporate Trustee
and signed on their behalf by:

C. Lloyd

Approved on: 25/08/2016.

Independent auditor's report to the directors of the corporate trustee of The Congregation of the Little Sisters of the Poor Charitable Trust

We have audited the accounts of The Congregation of the Little Sisters of the Poor Charitable Trust for the year ended 31 December 2015, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the directors of the corporate trustee, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the directors of the corporate trustee 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 charity and the directors of the corporate trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors of the corporate trustee and auditor

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the directors of the corporate trustee are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors of the corporate trustee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 December 2015

Opinion on the accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 September 2016

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Income					
Donations and legacies	1	2,339,790	273,989	2,613,779	2,014,058
Interest receivable	2	1,128	—	1,128	1,669
Charitable activities					
. Charges for residential and care services	3	13,161,509	—	13,161,509	12,352,435
Other trading activities	4	586,644	—	586,644	661,414
Other income	5	68,581	—	68,581	59,875
Total income		<u>16,157,652</u>	<u>273,989</u>	<u>16,431,641</u>	<u>15,089,451</u>
Expenditure					
Cost of raising funds					
. Costs of generating voluntary income	6	21,446	—	21,446	20,605
Charitable activities					
. Donations to support the work of the Congregation	7	7,603	—	7,603	250,000
. Provision of residential and care services	8	<u>17,014,750</u>	<u>107,931</u>	<u>17,122,681</u>	<u>16,622,137</u>
Total expenditure		<u>17,043,799</u>	<u>107,931</u>	<u>17,151,730</u>	<u>16,892,742</u>
Net (expenditure) income before transfers					
		(886,147)	166,058	(720,089)	(1,803,291)
Gross transfers between funds	18	<u>311,523</u>	<u>(311,523)</u>	<u>—</u>	<u>—</u>
Net expenditure and net movement in funds	10	<u>(574,624)</u>	<u>(145,465)</u>	<u>(720,089)</u>	<u>(1,803,291)</u>
Reconciliation of funds					
Total funds brought forward at 1 January 2015		<u>49,211,810</u>	<u>212,168</u>	<u>49,423,978</u>	<u>51,227,269</u>
Total funds carried forward at 31 December 2015		<u>48,637,186</u>	<u>66,703</u>	<u>48,703,889</u>	<u>49,423,978</u>

There is no difference between the net movement of funds stated above and the historical cost equivalent.

All activities derived from continuing operations during the above financial years.

Balance sheet 31 December 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	14		48,382,741		49,388,213
Current assets					
Debtors	15	727,303		426,975	
Short term deposits		498,730		279,371	
Cash at bank and in hand		1,208,024		1,384,254	
Total current assets		<u>2,434,057</u>		<u>2,090,600</u>	
Liabilities					
Creditors: amounts falling due within one year	16	(1,299,392)		(1,241,318)	
Net current assets			<u>1,134,665</u>		<u>849,282</u>
Total assets less current liabilities			49,517,406		50,237,495
Creditors: amounts falling due after more than one year	17		(813,517)		(813,517)
Total net assets			<u>48,703,889</u>		<u>49,423,978</u>
The funds of the charity					
Restricted funds	18		66,703		212,168
Unrestricted funds					
. Tangible fixed assets fund	19	47,569,224		48,574,696	
. General fund		<u>1,067,962</u>		<u>637,114</u>	
			48,637,186		49,211,810
			<u>48,703,889</u>		<u>49,423,978</u>

Approved by the Directors of the Corporate Trustee
and signed on their behalf by:

C. Lloyd

Approved on: 25/08/2016.

Statement of cash flows Year to 31 December 2015

	Notes	2015 £	2014 £
Cash flows from operating activities:			
Net cash flows from operating activities	A	810,760	98,166
Cash flows from investing activities:			
Interest received		1,128	1,669
Proceeds from the disposal of tangible fixed assets		—	250,000
Purchase of tangible fixed assets		(768,759)	(681,024)
Net cash used in investing activities		(767,631)	(429,355)
Change in cash and cash equivalents in the year		43,129	(331,189)
Cash and cash equivalents at 1 January 2015	B	1,663,625	1,994,814
Cash and cash equivalents at 31 December 2015	B	1,706,754	1,663,625

Notes to the statement of cash flows for the year to 31 December 2015:

A Reconciliation of net movement in funds to net cash flows from operating activities

	2015 £	2014 £
Net movement in funds (as per the statement of financial activities)	(720,089)	(1,803,291)
Adjustments for:		
Depreciation charge	1,804,169	1,793,600
Interest receivable	(1,128)	(1,669)
Deficit on disposal of tangible fixed assets	—	368
(Increase) decrease in debtors	(300,328)	8,460
Increase in creditors	28,136	100,698
Net cash flows from operating activities	810,760	98,166

B Analysis of cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	1,208,024	1,384,254
Short term deposits	498,730	279,371
Total cash and cash equivalents	1,706,754	1,663,625

Principal accounting policies 31 December 2015

Basis of accounting

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. Other than presentational adjustments to reanalyse the expenditure for the year ended 31 December 2014 to accord with the format prescribed in the updated Charities SORP FRS 102, no further adjustments were required. Specifically, governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to the costs of providing residential and care services.

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ estimating the provision for bad or doubtful debts; and
- ◆ determining the probability of the receipt of legacies which are measurable and to which the charitable company is entitled.

Going concern

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

Going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2016, the most significant issues that may affect the carrying value of the assets held by the charity are the level of local and central government funding for residential and nursing care of older people and the cost of implementing the changes to the regulatory environment affecting care homes generally.

Scope

The accounts include all the activities and net assets of The Congregation of the Little Sisters of the Poor in England and the Channel Islands. The accounts do not include the activities and assets of the Congregation in Scotland or overseas as these are outside of the control of the Directors of the corporate trustee.

Income recognition

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

Income comprises donations and legacies, interest on funds held on deposit, income from residential and care services, income from fundraising and collections and other income.

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

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

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

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

Income from residential and care services is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable.

Income from fundraising and collections is recognised when receivable and the amount can be measured reliably by the charity; this is normally when the income has been received.

Expenditure recognition and the basis of apportioning costs

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

Expenditure comprises the following:

- a. The costs of generating funds include direct costs associated with collections and generating other donated income.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.
- c. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and a suitable working environment.
- d. Governance costs are costs associated with the governance of the charity and its assets. Included within this category are costs associated with the strategic, as opposed to day-to-day, management of the charity's activities.

Support and governance costs are attributed to the provision of residential and care services only.

All expenditure is stated inclusive of irrecoverable VAT.

Principal accounting policies 31 December 2015

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

All tangible fixed assets are stated at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|---------------------------|--------------------------------|
| ♦ Freehold buildings | 2% on a straight line basis |
| ♦ Plant and machinery | 5-20% on a straight line basis |
| ♦ Furniture and equipment | 20% on a straight line basis |
| ♦ Motor vehicles | 25% on a straight line basis |

Debtors

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

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

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

Funds

The funds of the charity are in the main unrestricted and available for use in furtherance of the charity's objectives at the discretion of the directors of the corporate trustee. Within the total unrestricted funds of the charity, those representing tangible fixed assets net of long term loans to finance major property improvements (see note 19) have been identified separately.

Details of funds raised for a specific purpose or subject to donor imposed conditions, and therefore restricted, are given in note 18.

Services provided by members of the Congregation

For the purposes of these accounts, no monetary value has been placed on the care, administrative and other services provided by members of the Congregation.

Principal accounting policies 31 December 2015

Pension contributions

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Donations and grants receivable	951,216	273,989	1,225,205	1,093,053
Legacies	1,188,616	—	1,188,616	684,533
Pensions of individual religious received under Gift Aid or deed of covenant	199,958	—	199,958	236,472
2015 Total funds	2,339,790	273,989	2,613,779	2,014,058
2014 Total funds	1,634,592	379,466	2,014,058	

2 Investment income

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
2015 Total funds Bank interest	1,128	—	1,128	1,669
2014 Total funds	1,669	—	1,669	

3 Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Pensions and DSS	67,342	—	67,342	68,610
Residents' and family contributions	9,049,820	—	9,049,820	8,354,735
Social services	3,415,222	—	3,415,222	3,301,989
Rental Income	629,125	—	629,125	627,101
2015 Total funds	13,161,509	—	13,161,509	12,352,435
2014 Total funds	12,352,435	—	12,352,435	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Fundraising	450,930	—	450,930	509,038
Collections	135,714	—	135,714	152,376
2015 Total funds	586,644	—	586,644	661,414
2014 Total funds	661,414	—	661,414	

5 Other Income

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
2015 Total funds Sundry income	68,581	—	68,581	59,875
2014 Total funds	59,875	—	59,875	

6 Cost of raising funds

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
2015 Total funds Fundraising and collections	21,446	—	21,446	20,605
2014 Total funds	20,605	—	20,605	

7 Donations to support the work of the Congregation

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
2015 Total funds Contribution to Generalate of the Congregation	7,603	—	7,603	250,000
2014 Total funds	250,000	—	250,000	

8 Provision of residential and care services

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Staff costs (note 11)	10,518,042	—	10,518,042	9,888,834
Premises	2,667,595	106,936	2,774,531	2,839,946
Care and welfare	1,276,211	995	1,277,206	1,273,166
Depreciation	1,804,169	—	1,804,169	1,793,600
Central administration	212,616	—	212,616	234,880
Professional fees	229,799	—	229,799	251,504
Support costs	72,183	—	72,183	83,558
Governance costs (note 9)	66,300	—	66,300	79,322
Other costs	167,835	—	167,835	172,827
	17,014,750	107,931	17,122,681	16,892,742
	16,695,179	197,563	16,892,742	

The costs above include the direct costs of providing care, the living and personal expenses of individual sisters, all of whom are either directly or indirectly involved in such work, and related support functions of the charity.

9 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
2015 Total funds Professional fees	66,300	—	66,300	79,322
2014 Total funds	79,322	—	79,322	

10 Net expenditure and net movement in funds

This is stated after charging:

	2015 £	2014 £
Staff costs (note 11)	10,518,042	9,855,034
Auditor's remuneration		
· Statutory audit services-current year	66,300	65,508
· Other advice and assistance	—	6,810
Depreciation	1,804,169	1,793,600

11 Staff costs and remuneration of trustees and key management personnel

	2015 £	2014 £
Staff costs during the year were as follows:		
Wages and salaries	9,851,847	9,348,257
Social security costs	527,315	468,267
Sub-contracted staff	99,548	38,510
Pension costs	39,332	79,322
	10,518,042	9,855,034

All staff costs relate to the provision of residential and care services.

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2014 – none).

The average number of employees (calculated on both headcount and full time equivalent (FTE) basis), analysed by function, was as follows:

	2015 No	2014 No	2015 FTE	2014 FTE
Provision of residential and care services	743	757	573	562

11 Staff costs and remuneration of trustees and key management personnel (continued)

Key management personnel

The trustees consider that they together with the Registered Care Managers of each of the charity's care homes comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees and the Registered Care Managers are members of the Congregation and, whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties.

12 Trustees' expenses and transactions with trustees

As members of the Congregation, the trustees' living and personal expenses during the year were borne by the charity, but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2014 – none).

As members of the Congregation, no trustee has resources of her own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £2,363 (2014 - £378).

13 Taxation

The Congregation of the Little Sisters of the Poor Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

14 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2015	68,733,470	2,846,582	3,906,227	518,770	76,005,049
Additions	459,995	—	338,702	—	798,697
Disposals	—	—	(4,230)	(25,866)	(30,096)
At 31 December 2015	69,193,465	2,846,582	4,240,699	492,904	76,773,650
Depreciation					
At 1 January 2015	22,038,900	874,780	3,226,299	476,857	26,616,836
Charge for year	1,378,959	142,329	258,274	24,607	1,804,169
On disposals	—	—	(4,230)	(25,866)	(30,096)
At 31 December 2015	23,417,859	1,017,109	3,480,343	475,598	28,390,909
Net book values					
At 31 December 2015	45,775,606	1,829,473	760,356	17,306	48,382,741
At 31 December 2014	46,694,570	1,971,802	679,928	41,913	49,388,213

14 Tangible fixed assets (continued)

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of the properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs which, in the opinion of the trustees, is not justified in terms of the benefit to users of the accounts.

15 Debtors: amounts due within one year

	2015 £	2014 £
Charges for care services	584,685	222,133
Prepayments	105,631	101,479
Legacies receivable	—	56,000
Other debtors	36,987	47,363
	727,303	426,975

16 Creditors: amounts falling due within one year

	2015 £	2014 £
Fees in advance	31,136	44,657
Expense creditors	270,293	301,957
Other creditors and accruals	997,963	894,704
	1,299,392	1,241,318

17 Creditors: amounts falling due after one year

	2015 £	2014 £
Jersey State Treasury (see note below)	813,517	813,517

Loan from the Jersey State Treasury

The loan from the Jersey State Treasury represents an interest free loan advanced towards the cost of property improvements to the charity's freehold property situated in Jersey. The loan is repayable in the event of The Congregation of the Little Sisters of the Poor Charitable Trust ceasing to occupy the property for the purpose of running a residential home for the elderly.

As there is no intention by the charity's trustees to cease occupying the property, it is not possible to provide any indication of a date by which the loan will be repaid. Indeed repayment may be many years into the future. As such, the above loan is stated at its current day value as it is not possible to apply any discounting formula.

18 Restricted funds

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

	At 1 January 2015 £	Income £	Expenditure £	Transfers £	At 31 December 2015 £
Canonisation fund	16,168	—	—	—	16,168
Repairs and refurbishment fund	196,000	272,994	(106,936)	(311,523)	50,535
Other funds	—	995	(995)	—	—
	<u>212,168</u>	<u>273,989</u>	<u>(107,931)</u>	<u>(311,523)</u>	<u>66,703</u>

♦ Canonisation fund

Jeanne Jugan, foundress of the Congregation, was canonised in October 2009. This income represents donations to enable the Sisters' from Britain to attend the canonisation in Rome. The unexpended balance on the fund after meeting these costs will be used to support the work of the Congregation overseas.

♦ Repairs and refurbishment fund

This comprises monies received towards the cost of repair and refurbishment of the Homes.

♦ Other funds

These funds represents donations which were received for specific purposes during the year.

Transfers from restricted funds to unrestricted funds arise where expenditure on repairs and refurbishment is met from unrestricted funds in the first instance and then reimbursed out of appropriate restricted funds.

19 Tangible fixed assets fund

	2015 £	2014 £
At 1 January 2015	48,574,696	49,687,640
Net movement in year	(1,005,472)	(1,112,944)
At 31 December 2015	<u>47,569,224</u>	<u>48,574,696</u>

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets less the long term loan from the Jersey State Treasury to finance major property improvements (note 17). These tangible fixed assets are essential to the ongoing work of the charity – without them the charity's work would simply not be possible. As such their net book values should not be regarded as realisable in order to meet ongoing expenditure or contingencies.

20 Analysis of net assets between funds

	Restricted funds £	Tangible fixed assets fund £	General fund £	Total 2015 £
Fund balances at 31 December 2015 are represented by:				
Tangible fixed assets	—	48,382,741	—	48,382,741
Net current assets	66,703	—	1,067,962	1,134,665
Creditors: amounts falling due after more than one year	—	(813,517)	—	(813,517)
Total net assets	66,703	47,569,224	1,067,962	48,703,889

21 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the Congregation of the Little Sisters of the Poor by virtue of the fact that the General Council of the Congregation appoints the Directors of the corporate trustee. The Congregation does not hold any assets, incur liabilities or enter into any transactions in its own right. Assets and liabilities of the Congregation in England and the Channel Islands are vested in the corporate trustee of the charity, the directors of which undertake all transactions entered into in the course of the Congregation's charitable activities.

22 Post balance sheet event

Subsequent to the year end, the charity's trustees have carried out a detailed review of the charity's activities including consideration of the future options with regard to the care homes. This review was carried out with care and in the light of the charity's overall financial position and its long term commitment to care for the members of the Congregation and to support their ministry. Advice was sought from the charity's professional advisers also.

The conclusion of this review was that, with great sadness, the charity should explore seriously the opportunities available to transfer the home at Preston to another care provider. Since the year end discussions have continued with the aim of making this a reality.

The decision taken to transfer the home in Preston to another provider was not easy and the trustees would like to take this opportunity to thank all those who worked at the Home – both staff and volunteers – for their tremendous support and help over the years. It is they who have made it a special place where residents could receive support and care of the very highest standard. The trustees are confident that their decision will ensure the long term future of the Home and its continuing success.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Care Homes (continued)

St Joseph's Care Home with Nursing, Newcastle

St Joseph's, Newcastle, underwent a huge refurbishment programme in the 1990s and the Home is well maintained as are the extensive gardens that surround it. It provides places for 57 elderly residents of modest income. Staff are devoted and most of them have been in employment at the Home for many years.

The main project during 2015 was to change the flooring on the ground floor corridor from one end of the house to the other.

Jeanne Jugan Care Home with Nursing, Preston

Jeanne Jugan Residence provides 38 places for elderly people with modest income. The Home has been renovated in latter years, as much as is reasonably possible given the age of the building, to give more comfort to the residents. The services provided are appreciated by the residents and families who often express their satisfaction. We are accredited providers with Lancashire County Council.

During the last year several bedrooms have been redecorated and some of the chairs and washing machines in the Home were replaced.

The following table summarises some of the important statistics regarding the Homes:

	Occupancy %	Residents in Care	Residents in Independent living	Residents' deaths in year	Staff full time	Staff part time
St Joseph's Birmingham	97	37	12	7	9	67
St Joseph's Bristol	95	40	—	6	16	55
Jeanne Jugan Residence Jersey	88	60	20	17	78	22
Mount St. Joseph's Leeds	84	45	23	11	11	68
St Anne's, Stoke Newington, London	97	32	19	7	19	34
St Peter's London	100	58	20	13	11	72
St Joseph's Manchester	92	52	2	15	17	69
St Joseph's Newcastle upon Tyne	93	57	—	16	8	79
Jeanne Jugan Residence Preston	92	38	1	15	9	62