

# **Livability**

## **Annual Report and Accounts 2017-2018**

Registered Charity: 1116530

Company Registration Number: 5967087

## **A message from our Patron HRH The Princess Royal**



**BUCKINGHAM PALACE**

Shaped by Christian ethos and a rich heritage of their founding charities – John Grooms and The Shaftesbury Society – Livability is a charity that is committed to working for social change.

Disabled and vulnerable people have a rich contribution to bring to our society. But too often, they face disabling barriers that limit their opportunities and voice. The charity is devoted to tackling the isolation this can cause and providing services that enable disabled people to flourish.

As Patron, I am proud to have visited a number of the services that Livability delivers across the UK. Whether it is much needed care and independent living support, promoting wellbeing through horticultural therapy, helping someone's rehabilitation journey following spinal or brain injury, or raising awareness across churches and community partners, the charity makes a vital difference.

I look forward to seeing the charity go from strength to strength in the year ahead under the leadership of the new CEO and Chair of Trustees, and I congratulate all the staff and volunteers on their achievements.

A handwritten signature in black ink, appearing to read 'Anne', with a long horizontal line extending from the end.

# A message from Livability's Chair of Trustees

Livability operates in a climate where the pressures on care and education are greater than ever. The risks to disabled people getting the support they need are very real and individuals are at risk of becoming isolated.

That's why across Livability we remain as committed as ever to our vision of a barrier-free society, where disabled and vulnerable people enjoy equality and full participation.

Working with the people who use our services, church partnerships, volunteers and donors, we can put the elements in place that all add up to better support and wellbeing.

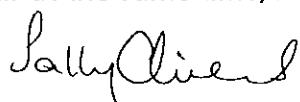
As we deliver this year's Annual Report we celebrate all that Livability has achieved during 2017-18.

The year has been one of excitement as we continue to develop our vision for the future, evolving and honing our charitable and strategic purpose.

At the same time we are dedicated to working as efficiently as possible in our delivery of those quality services for which we are renowned.

We are absolutely delighted to have appointed Helen England as our new CEO for the charity. Under her leadership we look forward to working for more livable lives and communities for disabled people.

Equally, we record our heartfelt thanks to Dave Webber, who retired as CEO at the conclusion of our reporting year after many years of tireless service, and to Caroline Armitage who stepped down as Chair at the same time, having served faithfully on the Board of Livability for five years.



Sally Chivers  
Chair of Trustees

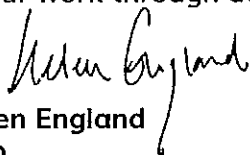
# A message from Livability's Chief Executive Officer

It is a privilege to be joining Livability at this key juncture in its history and a pleasure to meet the many people who play a vital part in our charity community.

I would like to take this opportunity to thank all of our staff, volunteers, supporters and donors for their contribution to the important work that we do and the difference this makes to the lives, health and wellbeing of the people we support.

Looking forward, there is a tangible commitment across the organisation to the power of communities and how harnessing this, alongside the services we deliver, can add up to more connected and livable lives for all.

I look forward to working collaboratively with staff, stakeholders and partners to extend the impact of our work through developing and implementing our Livable Communities strategy.



Helen England  
CEO

# Contents

<b>Trustees' Report</b>	<b>2</b>
Principal activities, core values and objects	2
Structure, governance and management	4
<b>Strategic Report</b>	<b>9</b>
Highlights from 2017-18	12
<b>Financial Review</b>	<b>14</b>
Principal risks and uncertainties	18
Statement of Trustees' responsibilities for the Financial Statements	20
Disclosure of information to Auditor	20
Independent Auditor's Report to the Members of Livability	21
Livability Consolidated statement of financial activities	24
Livability Charity statement of financial activities	25
Livability Group and Charity Balance sheets	26
Consolidated and charity cash flow statements	27
Notes to financial statements	29
<b>Trusts and supporters 2017-18</b>	<b>65</b>
<b>Organisational details</b>	<b>66</b>

# Trustees' Report

## Principal activities, core values and objects

### About Livability

Livability is the disability charity that connects people with their communities. We tackle social isolation and the barriers that can cause this in the lives of disabled and vulnerable people. Through a wide range of disability, education, training and community services, we promote inclusion and wellbeing for all. Together, we work to see people take part, contribute and be valued. We put the elements in place that all add up to livable lives and communities.

### Our vision and mission

**Vision:** Our vision is of a barrier-free society, where disabled and vulnerable people enjoy equality and full participation.

**Mission:** We will deliver services and resources that ensure people's lives, health and wellbeing flourish. We will build community connections to tackle social isolation and loneliness in the lives of the people we support.

### Ethos

Livability has a dynamic and inclusive Christian ethos, welcoming people from all faiths and none to work together towards the good of the whole community. We partner with local churches and faith groups as agents of community change.

Our Christian ethos is 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. We are committed to using all of our resources to make this world more like the place it should be – where everyone can find their place and take part.

Because of this ethos, we choose to be open, enabling, inclusive and courageous. We strive to make lives and communities livable and reduce social isolation for all.

Our charity President is The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury.

### Values

#### Open – we are open and real

We strive to be warm-hearted, straightforward and honest. We take time to listen to each other and to the people and communities we work with, because that is how we learn and grow.

#### Enabling – we think people are amazing

Everyone has something to offer, if they are just given the chance. So, as well as helping with basic needs, we help people take part and be valued in their communities – because that is what makes life livable. We are ambitious to achieve real change.

#### Inclusive – we demand fairness

Far too many people are excluded by unnecessary barriers in our society. We want to live in a much fairer world where we are all valued equally, not just for what we have in common, but for what makes us different too. We all share a responsibility to make that a reality.

#### Courageous – we are the best we can be

Each day we ask ourselves, what can we do better? In work, as in life, we are motivated by our promise to make life better for people and their communities and we hold ourselves accountable for the difference we make.

## **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:

- assist or educate any person in charitable need and, in particular but without limitation, any disabled person and the parents, guardians and carers of such people by whatever means; and
- 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**

Our main areas of work include:

- 35 high quality residential care homes, 6 of which offer nursing care.
- 13 domiciliary/supported living services.
- 25 locations where we provide specialist support for people to learn new skills, achieve their goals and access their community.
- Brain injury and spinal cord injury rehabilitation services that provide rehabilitation in the UK and support for overseas partners in Bangladesh, Nepal, Myanmar and Sri Lanka.
- An Ofsted-rated "Good" Independent Specialist Further Education College for young disabled people with registered care provision.
- An Ofsted-rated "Outstanding" Special School for children with disabilities and registered children's home.
- A community engagement team that works to raise awareness of disability issues within church audiences and more broadly to support communities in tackling poverty and related social issues.
- Raising awareness of issues that are most important to disabled people and making sure that the voices of our disabled service users are heard.

## **Public benefit**

The Trustees have complied with their duty 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, the 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 set.

## **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. In May 2016 Prospects for People with Learning Disabilities and its subsidiary At Home in the Community became members of the Livability Group. Their full merger with Livability was effective from 31 March 2017.

### **Group structure**

Livability is the parent charity of a group of charities and operating companies.

Operating subsidiary charitable companies in the group are:

- Prospects for People with Learning Disabilities, providing adult social care and ministry support in the UK for people with learning disabilities (joined the group on 11 May 2016).
- Kingsley Hall Church and Community Centre, providing community services in Becontree, East London.
- East Holton Charity, a nature and wellness centre in Poole, Dorset.

Active subsidiary trading companies in the group are:

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

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 6 to the accounts.

## **The Board of Trustees**

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

Trustees give their time voluntarily and receive no benefits from Livability but claim reasonable expenses in connection with their duties as Trustees as shown in note 19 to the accounts.

The Board ensures its members provide the experience and skills required to perform its critical role effectively. During the year, a planned overall reduction in the number of Trustees was effected. Preparation for this had been made through considered appointments in the prior year. 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 and updates prior to Board meetings and two "away days" in each annual governance cycle to ensure matters of strategic significance are considered in depth.

Business meetings of the Board are held quarterly. Monitoring of the performance of key areas of activity is delegated to subcommittees and local boards of governors, including Trustees and other members, appointed for their particular expertise and knowledge.

The established sub-committees and their remits are:

- **Audit** – ensure effective systems of internal control and to recommend the annual financial statements for approval.
- **Finance and General Purposes** – all matters relating to finance, funding and fundraising, asset management, remuneration and information and communication systems; also exercises Livability's role as a Corporate Trustee.
- **Remuneration Committee** – talent management, reward strategy and policy, annual review of remuneration and benefits and publicly reportable data.
- **Safeguarding Board** – all safeguarding incidents relating to Livability's service users.
- **Services** – quality, performance and development of all services, including Community Engagement, and human resources; receives reports from the local governing bodies at Livability's education centres.
- In addition, the Board establishes standing and short-term ad hoc advisory groups as necessary to inform policy in relation to 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, the performance of Livability in meeting the strategic goals set by the Trustees and compliance with the policies set by the Board. The CEO and the Executive Directors of Operations, Resources, and Public Engagement make up the Executive Team, responsible for strategic oversight and leadership of the Charity.



**Table showing Trustee Board and Subcommittee Member attendance at Board, Subcommittee and Advisory Group meetings from 1 April 2017 – 31 March 2018**

Trustee / Subcommittee Member	Trustee Board		Audit		Finance & General Purposes		Remuneration		Safe-guarding		Services		Board Performance Advisory Group	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Caroline Armitage (Chair)	4	4					1	1					2	2
David Bentley	4	4	3	3							4	4		
Angus Brown	4	4			5	5							2	2
Sally Chivers~	4	3					1	1	4	3	4	4		
Kate Clare	4	4							4	4	4	4	2	2
Anne-Marie Costigan#	4	3									4	4		
Hannah Foster	4	2					1	1						
Julie Griffiths* ^									4	2				
Keith Hickey	4	4			5	5	1	1					2	2
Brian James#	4	4									4	4		
Agnita Oyawale	4	2												
Craig Philbrick	4	2												
John Robinson	4	3	3	3									2	1
Craig Rowland*			3	3										
Nicola Tallett	4	4			5	3								

## Key

- A number of meetings available to attend    ^ Retired in year  
 B number of meetings attended    ~ Appointed post year end  
 # Member of Local Governing Body of a School or College    \* Non-Trustee Subcommittee Member

The Chair during this period, Caroline Armitage, attended subcommittee meetings on a rolling basis and is not a standing member of those committees.

## **Employment of disabled people**

As a charity supporting disabled people we want to increase the number of disabled people who work for Livability. Currently 2.9% of employees have declared themselves to have a disability. As part of Livability's Equality and Diversity Policy we commit to making adjustments to meet the needs of disabled job applicants, employees and volunteers. We are a member of the 'Disability Confident' scheme and have achieved a Level 2 rating. We commit to interviewing all disabled applicants that meet the minimum criteria for job vacancies. We work with disabled staff to make appropriate adjustments to ensure that they are able to stay in employment. Disability, equality and diversity awareness training are part of the core programme for all staff and volunteers. We recognise that we have more to do to promote employment of disabled people in the charity and are involving disabled employees, volunteers and the people that use our services in making the charity a place that people want to work. We support volunteering opportunities in a number of our services and offices across the organisation as well as providing services which support disabled people back in to the workplace through specialist work skills development and work experience programmes.

## **Employee engagement**

The charity and its related subsidiaries employ the equivalent of 1,124 full-time staff and have 1,973 staff with employment contracts. They are Livability's most important asset and it is only through them that the charity can continue its work. Their dedication and professionalism, supported by a comprehensive training programme, is at the heart of providing high quality services to the people we support. We continue to implement and monitor a bespoke leadership development programme for our Managers to support the delivery of the best outcomes for the people we support and to meet the challenges of a complex care environment.

We work hard to involve and engage effectively with our people, sending regular communications and staff updates to all. Each year we hold the Princess Royal Livability Awards event to celebrate the work of the charity and its staff. Employees and volunteers are nominated by colleagues and supporters for outstanding contributions.

## **Gender pay gap**

Livability's employees are our most valuable resource in the provision of high quality services to the people we support, our student and client groups. We aim to attract and retain the skilled employees required to deliver these services and to reward them equitably for the role that they carry out. In common with other care sector providers the Livability staff group is predominately female at 80% (1,657) of the 2,073 on the statutory reporting date. The proportion of female to male staff varying by only 1% between the upper and lower pay ranges.

The Livability gender pay gap is well below the national average for both the mean and median rate for all employees. The actual mean rate being 10.2% and the median rate being 1% compared to a national average of 18.4% and 9.1% respectively.

## **Senior Executive pay**

Livability's employees are pivotal to the provision of high quality services to those we support, student and client groups. We aim to attract and retain the skilled employees required to deliver these services and to reward them equitably for the roles that they carry out. Senior pay levels reflect the size of the organisation and the range of work carried out in health and social care with clinical and nursing service, education and professional support services. Livability has noted the recommendations of the report of the National Council for Voluntary Organisations into senior executive pay. The remuneration subcommittee of the Board has re-iterated the policy of the charity to set pay levels in line with median pay rates for the sector. Note 6 to the accounts shows the numbers of employees earning more than £60,000 in bands of £10,000.

## **Volunteers**

Volunteers play a vital role in Livability's community. Whether through local project support, running Friends Groups to raise money for 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 the people we support. Volunteering is promoted on Livability's website <https://livability.org.uk/join-in/volunteer/> Around 130 volunteers contributed to Livability's work in the last year. We will continue to seek ways for more people to support us and the users of our services.

## **Fundraising**

Livability takes a long term, supporter-led, relationship fundraising approach to our activity. We work with partners who also carry out ethical fundraising practices to a high standard. During 2017-18 we were represented by professional fundraisers as part of our payroll giving program. Professional fundraising organisations represented Livability in corporations where employees can choose, if they want, to give as they earn.

In November 2016, Livability became a member of the new Fundraising Regulator that sets and maintains the standard for charitable giving and holds the Code of Fundraising Practice for the UK. Prior to this we were a member of the Fundraising Standards Board (FRSB). We remain vigilant about compliance with standards set by the Fundraising Regulator, and have signed up to the Fundraising Preference Service where supporters can manage the communications and fundraising requests they receive from charities. We adhere to the requirements related to General Data Protection Regulation (GDPR) in our fundraising practices.

To give a good supporter experience we support and monitor those fundraisers acting on our behalf. This includes in-house fundraisers carrying out activities, through training and ongoing performance management, and others fundraising in aid of and on our behalf in the communities, by giving them guidelines and dedicated fundraiser support.

Livability has a low level of fundraising complaints, and if complaints do arise we follow Livability's complaint procedure and if any are escalated to the Fundraising Regulator we will follow their procedure for handling complaints. During 2017-18 we received one official complaint – concerning incorrectly sending mailings to a supporter who had sadly passed away, we were notified by their family member and immediately the complaint was handled by our Supporter Services team and resolved within five working days to the satisfaction of the supporter's family, with their records updated on our database. We continue to strive towards excellence and monitor the number of complaints we have against communication touchpoints in our KPIs. We listen to the views of our supporters through supporter surveys to gauge the majority view on the frequency of our mailings, ensure supporters can clearly opt-out of receiving communications, and are training fundraisers on the GDPR regulations.

Acting as an ethical fundraising charity we have a People in Vulnerable Circumstances (PIVC) Policy to determine what we will do to protect vulnerable people and others from unreasonable intrusion on a person's privacy, to ensure there is not undue pressure to give in the course of, or in connection with, fundraising for Livability. This policy is held on a central intranet area for all staff to access, and is being rolled out as part of training and guidance for fundraisers and volunteers.

# Strategic Report

**As part of driving our organisation forwards, growing our impact and responding to changes in the health and social care sector, Livability embarked on a new strategic direction and launched a new brand identity in 2017-18.**

## **The need for a new strategy – health and social care sector is changing rapidly**

The landscape of the UK's health and social care sectors is changing rapidly. With growing demand for services and pressures on funding, public services and resources are increasingly stretched. Traditional 'top-down' delivery of formal care services isn't enough to respond to needs in our society in the long term – and many elderly, disabled and vulnerable people aren't getting the care they need.

There are great health inequalities in our society, with too many people experiencing the effects of social exclusion or lacking social support. As a result, there is an increasing drive within the NHS and local government to focus health, care and support far more within communities in order to reduce inequalities, tackle risks of social isolation and improve health outcomes.

With the passing of The Care Act, there is a greater emphasis on localised, community connected, personalised and joined-up care. People have more choice to design their own support, building on both their needs and strengths, within their own network of relationships and services.

It's a change that needs a collaborative and community approach to care.

## **Social isolation is impacting disabled and vulnerable people**

Social isolation is a growing problem in the UK. Britain has been called the 'Loneliness capital of Europe'.

Many people are socially isolated because they face disabling barriers in their lives. From lack of awareness of disability and mental illness, to difficulty in securing the right education or employment, the obstacles are real.

Social isolation is seriously bad for your health. When people are socially isolated, their life and wellbeing outcomes are worse. Disabled and vulnerable people are often the hardest hit.

## **Livability's strategic direction – Livable lives and communities**

Livability's strategic direction is focused on connecting people with their community. Research shows that people's health, life and well-being outcomes are stronger when they have supportive relationships and positive community experience. We will help people to take part, contribute, and be valued.

Livability brings a dynamic offering to the health and social care arena. We have strong expertise in disability care and community engagement, and a wide network of staff, volunteers and church partners in the UK.

Taking a strengths or asset based approach, we draw people and resources together, sharing needs and aspirations, to create new possibilities and solutions.

Our strategic direction represents a significant shift in our Public Engagement as a charity, where we recognise the incredible power of harnessing local community resources of all shapes and sizes to deliver our mission.

Wherever we create a service, we will work with local agencies, churches and community partners to broaden the offer. Through community involvement, innovation and enterprise, we deliver more joined up opportunities to make life better for the people we support.

Through all our services, we will work for more livable lives and communities. We will do this by:

### **Connecting communities through our disability services**

Wherever we create a disability care service, our staff work with other local agencies, churches and community partners to extend the impact of our support and care. From developing community art groups, fitness programmes, befriending schemes or wellbeing courses – our services always focus on extending the support and care for the people that we serve.

### **Communities through local hubs**

We are also developing community hubs with a range of local agencies to provide more of a holistic approach to care and community life. Each location provides a diverse portfolio of family and community focused services that enhance life and wellbeing.

### **Connecting communities with church partners**

Livability is a passionate advocate of the local church as a powerful agent for change. We equip churches to tackle barriers in community life that fragment society and decrease people's wellbeing. Livability works with a range of churches in the UK, supporting and resourcing them to meet the needs of local people. We celebrate the assets already found in a community and build partnerships to bring communities together.

With a refined new brand identity and trajectory for the charity building on our dynamic and inclusive Christian ethos, this strategic direction draws on our learned experience and freshly integrates our key strengths and core activities.

## **Future strategic objectives and measuring impact**

In the year ahead, we will continue to pursue our strategic mission through fully developing the Livable Communities Strategy and will focus our strategic aims and objectives on:

### ***Aim 1 – Service transformation and development across the UK***

We will work to support people live their life to the full and enable them to be connected to their community.

#### ***Objectives:***

- We will develop a blueprint for Livable Communities that defines our integration model for bringing together service delivery and community development such that this combined approach can enhance the impact and benefit we can achieve for disabled people.
- We will improve and extend our existing service provision through adopting new approaches to care and support, learning and rehabilitation as well as building on our current strengths.

### *Aim 2 – Community engagement and development*

We will facilitate community connections that address social isolation and loneliness for disabled and vulnerable people and promotes participation.

#### *Objectives*

- We will extend our training offer to church and community partners.
- We will align our community engagement resources to help develop our blueprints for Livable Communities.

### *Aim 3 – Co-production and partnership development*

Co-production with people we support will be integral to the way we work and partnerships will be aligned to our strategic purpose.

#### *Objectives*

- We will develop our model for developing collaborative partnerships, predicated on aligned values and complementary expertise.
- We will design an enhanced approach to co-production across the Charity.

### *Aim 4 – People (our staff and volunteers)*

We will build a motivated, values led and skilled workforce, committed to continuous improvement and contributing to Livability's cause.

#### *Objectives:*

- We will initiate internships and apprenticeships – as well as create new roles such as health care assistants.
- We will invest in developing our leaders so that front line staff are well led and supported.

### *Aim 5 – Quality and Practice Development*

We will design and deliver services that are able to achieve the best outcomes for people and will ensure that staff training and practice development are based on best practice.

#### *Objectives:*

- We will review our arrangements for embedding active support within our services.
- We will ensure that service and quality improvement plans are in place to achieve a rating of at least 'good' from external regulators.

### *Aim 6 – Resources, estates and infrastructure*

We will use our resources as effectively as possible to achieve our strategic aims and will improve the quality of our estate and infrastructure within available resource.

#### *Objectives:*

- We will implement a new IT System to deliver more efficient back office functions and improve information to managers and staff.
- We will review and revise business processes to improve organisational effectiveness and performance.

We are developing a way of using the 'transformational index' as a tool to identify how we measure our intended social impact in the future.

## Highlights from 2017-18

The strategic objectives outlined in last year's report, were underpinned by a range of activities in 2017-18.

The broad objectives were:

1. Creating and demonstrating the Livable communities concept.
2. Defining and living Livability quality standards.
3. Involving the people we exist for in growing our impact.
4. Communicating well and engaging people in the cause.
5. Shaping systems and resources to empower and add value.

In 2017-18 Livability was proud to achieve support for over 1,000 individuals and families every day of the year through our services across the UK.

Some highlights from last year's delivery are outlined here:

### Residential, disability and community services

- We have supported 432 people in our care homes.
- We started a pilot phase in service delivery in a new spinal injury centre in Dorset.
- Engagement with community activities for 505 clients through Livability's day services and community care and support provision.

### Rehabilitation services

- We opened the first 4 beds at our new spinal injury centre at Livability at Holton Lee in Dorset. The centre supports people who have experienced a spinal injury on their rehabilitation pathway and is an innovative partnership with the Spinal Treatment Centre and Salisbury NHS Foundation Trust.
- Brain rehabilitation care for 160 people at our service Livability Icanho.

### Education services

- Education and learning opportunities for 171 children and young people through a school and college.

### Learning and vocation

- Access to employment opportunities for disabled and vulnerable people through the Building Better Communities fund – for the UCan project in Dorset.
- Acquiring the Maesbury Metals and Cornerpatch day service and micro enterprise initiatives in Shrewsbury that support people in vocational and craft skills.

### Livability International

Livability International is a specialist team providing disability, rehabilitation and community engagement consultancy to a range of spinal cord injury and rehabilitation projects internationally.

The goal of the International programme is to increase the quality and coverage of appropriate and sustainable healthcare and rehabilitation services in low-resourced countries. We do this by focusing on:

- Capacity development of spinal cord injury (SCI) and rehabilitation services in countries including Bangladesh, Nepal, Sri Lanka and Myanmar.
- Development of Regional SCI networks as platforms for learning, exchange, technical capacity support, standard setting and research.
- International collaboration and partnership for service development, education and research in SCI management and rehabilitation.

## **Church Partnerships and Community Engagement**

- The launch of a key report and church resource called 'Lifting the Lid' on Blue Monday in January, supporting church engagement on Mental Health.
- Coordination of a major accessibility-friendly church service at Greenbelt Festival.
- Wellbeing awareness training through the Happiness Course. The course trained church leaders and community volunteers to run in a variety of settings including local government, the Armed Forces, workplaces and churches.
- Delivery of Community Development Training to Baptist Churches across London in partnership with the London Baptist Association.

## **Fundraising**

- Livability's fundraising campaign for sensory bathrooms, gardens and rooms – The Sensory Appeal – was launched to improve our offer and enable service users to interact with their home environment in a new and positive way.
- Flourish, our horticulture therapy programme based at Holton Lee in Dorset, continued to attract support from Trust, Corporate, Individual and Community funders.
- 22 Team Livability London Marathon runners took on their 26.2-mile challenge, raising over £47,000 for the charity
- June saw Frogmore Gardens Open Day in support of Livability, raising a superb £5,420
- Catherine has lived at John Grooms Court for 12-years and last July, took on a skydive challenge from 13,000 feet; she conquered the skies, and raised over £500 for Livability.
- St Martin in the Fields Christmas Carol Service proved increasingly popular raising £18,616
- David Swales didn't let his debilitating stroke hold him back; he ran an incredible 1,000 miles.

## **Quality and practice development**

- An allocated Quality and Practice Development Manager works with each region. The working relationship with Regional and Service Managers is developing well and supporting service development.
- Health & Safety Advisors are working to support of the QPD managers and operational staff.
- A quality management tool has been developed and deployed to enable managers to evidence compliance with regulatory standards working collaboratively with Quality and Regional Managers.
- Combined reporting on service delivery is taking place monthly, this is increasingly improving the effective allocation of resources and planned actions to support and improve quality.
- Keeping the voice of those we support is at the heart of what we do and while we continue to invest in a National Annual Survey there is a rich stream of feedback, from the people we support, captured and communicated through service visits and focus groups throughout the year.



# Financial Review

## Overview

Although the overall financial position of Livability remained relatively constant with total funds increasing slightly from £46.6m (2017) to £47.5m (2018), there were some fairly large year-on-year changes in financial performance.

Income (2018: £46.2m) reduced by £0.575m from 2017 levels (when the effect of a one-off charity donation arising from the Prospects merger is stripped out). This reflects the full year impact of the closure of 4 services in the 2017 financial year.

Total expenditure of £48m (2018) significantly reduced from £53.6m (2017), which reflects not only the absence of significant one-off merger costs in the financial year under review but also that the cost savings initiatives implemented during the financial year, and economies of scale arising from the Prospects merger, started taking effect. We do however recognise that excluding the effect of a revaluation gain of £66k in 2018 (2017: £4.3m) we only achieved a total £1.88m deficit (2017: £3.3m) and that, as part of a broader transformation plan, further cost savings and revenue increases will need to be generated in subsequent financial years to underpin the generation of a surplus.

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

However, Livability remains well positioned to respond to these current and future challenges. The adequate level of reserves has enabled the charity to invest in organisational improvements and operate in a considered manner. We have developed a detailed transformation plan that means that during the financial year under review and going forward, there have been and will be 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.
- Increasing net fundraising revenue – the implementation of a new fundraising strategy helped drive an increase of net fundraising from £2.85m (2017) to £3.45m in the 2018 financial year.
- Reduce central support costs – a number of initiatives, which include an evaluation of business system and processes, are in place to reduce central support costs and improve internal efficiencies.
- 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.

## Income and Expenditure Account

Overall income from charitable activities decreased by £2.2m or 5.2% during the financial year, due in the main, as noted earlier, to the impact of the closure of 4 services in the 2016-17 financial year.

The deficit on charitable activities of £5.8m (£39.7m income less £45.5m expenditure) represents a significant improvement from the previous financial year (2017 £9.9m) and reflects the impact of efficiency improvements and cost savings, fee increases and the absence of large one-off merger related costs.

Off the back of a slightly smaller portfolio due to service closures in the previous financial year, Residential and Community Services have achieved reduced income levels of £26.1m (2017: £28.6m) for the financial year. Educational income reflected a relatively small 3.3% growth to £13.5m (2017: £13.1)

In considering our Education services, residential student numbers have increased slightly VEC with 90 students (2017: 88) and decreased at Nash College 68 (2017: 79). Student numbers for the VEC Horizons service for post-19 students has remained the same as the previous financial year with 22 students.

The level of agency use and vacancy rate is a significant factor in the cost base of the charity. Like many providers in the care sector we experience difficulties in the recruitment and retention of staff with East Anglia and the South East of England being areas of pressure.

There was no inflationary pay award in 2017 and with wage inflation rising nationally and pressures on recruitment during 2018 we implemented the statutory 2017-18 National Living Wage increases (and concomitant pay differential) and outside of that a 1% cost of living increase.

Reflecting some of the efficiency gains achieved during the financial year, the ratio of costs of charitable activities to revenue for the financial year has improved by 9 percentage points. However, there is still a lot to do to improve operational profitability.

During the year under review, the charity undertook a 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. The full-year impact of this will be progressed in the 2019 financial year.

## **Fundraising summary**

The fundraising environment is undergoing change, including increased regulation both from the recently formed Fundraising Regulator, as well as European Union legislation. Livability is registered with the Fundraising Regulator and abides by their standards and follows the Code of Fundraising Practice issued by the Fundraising Regulator.

In this financial year Livability's supporters have continued to give generously:

- Our overall income from donations and legacies rose by 19% to £4.89m (2017: £4.1m) whilst the cost of raising funds rose by £190k to £1.44m (2017: £1.25m) creating a net contribution of £3.45m for the year (2017: £2.85m).
- Our regular givers collectively donated over £588k, helping us to connect disabled adults and children with their communities. Our Spring Appeal, themed on sensory technology, was a good success with gross income reaching £34k and exceeding a target of £27k.
- Our volunteer-led Friends Groups total 12, and continue to raise funds locally to benefit local Livability services.

- Our community fundraising income continues to increase year-on-year and was up by a further 17% compared to 2017 as we continue to galvanise local companies, Rotary groups, community groups and schools to raise money locally for the benefit of Livability services in their area.
- Flourish, our Horticulture project based at Holton Lee in Dorset, received funding from several supporters who have a long history with Livability including Mr R. Parsons, The Edith Murphy Foundation and The Thomson-Bree Charitable Trust
- We are thankful for the support of corporate partners including Match Solicitors, who contributed towards an upgrade of the playroom at Victoria Education Centre.
- Benefactors who support our work at the end of their lives through legacies continue to give generously. This year we took part in our first Remember a Charity campaign, including being featured in a national newspaper, to reach more people who are considering leaving a charitable gift in their Will, once they have looked after their family and friends.

We are very grateful to all those who feel inspired to make a difference in people's lives and choose to support our work. Through the generous donations, time and prayer of our supporters we can connect disabled and vulnerable people with their communities to live life fully.

Looking forward, we have a vision for leading Livability's fundraising growth, to enable the charity to grow and connect our service delivery with our community engagement activities. Our goal is to increase gross voluntary income by 50% from c. £4m to £6m, and ultimately net income by 54% to £3.7m by 2021. To do this, we will be supporter-led in our approach and be the agent of social change our supporters want to see. We set out to significantly increase the value and volume of our loyal supporters, taking a long-term approach to our work. By the end of year 1 of the fundraising strategy (2017-18) we are behind on our milestones to increase the volume of supporters, but ahead on increasing the value of our donations from supporters, resulting in us exceeding our voluntary gross and net income targets.

## **Central support costs**

Support costs of £6.4m are significantly lower than the £8m incurred in 2016-17 and reflects some of the efficiency savings anticipated through the Prospects merger. Support costs in 2017-18 as a percentage of income is 13.9% (2017: 15.8%) with the Trustees and Executive Team committed to reducing central support costs further.

Following the Prospects merger in the previous financial year, we initiated a process of integrating the two head offices into Livability's national office in North Greenwich with minimal increases in the main back office functions. This process of integrating took some time to bed in, with the full year benefit to be realised in the 2018-19 financial year.

The 2018 financial year saw the launch and investment in a new brand identity to complement and add to the investment in fundraising and communications activity.

## **Balance Sheet**

Tangible fixed assets at £41.1m (2017: £41.3m) have remained stable. One property was disposed of during 2017-18, which was no longer fulfilling an operational purpose, with disposal proceeds of £1.1m and a loss on disposal of £60k.

Trade debtors increased by £799k to £2.8m during the year, reflecting the challenges in bedding-in systems and processes spanning the combined organisation following the merger with Prospects. Other debtors have increased primarily due to the timing of Gift Aid claims.

## **Cash Flow and Working Capital**

Cash balances at the year-end decreased from £6.3m at 31 March 2017 to £6.1m at 31 March 2018, with the reduction primarily arising from the deficit on charitable activities of £5.8m. Cash inflows from the sale of investments at £3.1m (2017: £1.4m) and the proceeds from property disposals of £1.2m (2017: £0.9m) ensured overall positive cash balances were maintained.

## **Reserves policy**

At the year ended 31 March 2018, Livability held a total of £47.5m in reserves (2017: £46.6m). These reserves are split between:

- Permanent endowment funds that represent assets that must be retained for the use in the charity or to generate investment income have a value of £7.6m (2017: £7.6m)
- Restricted funds that are held for specific purposes which have a value of £7m (2017: £7.0m).
- Designated funds being assets currently in use by the charity, such as buildings, equipment, vehicles and social investments estimated to be valued, net of associated bank loans and other creditors, at £36.5m (2017: £42.4m)
- Pensions reserve (£6.5m) (2017: (£10.6m))
- General Fund £2.93m (2017: £0.12m)

Of these total reserves £32.9m (2017:£31.9m) are unrestricted.

There is a ten-year deficit reduction plan for the pension deficit of £6.5m. Contributions to the deficit schemes for 2017-18 were £1.5m.

The Trustees have considered and set a reserves policy which takes account of the current analysis of risk, day to day operational expenditure, the volatility of voluntary income and the maintenance of adequate levels of working capital. At the present time the trustees consider that a range of 8 to 12 weeks of expenditure is the right level to hold. In line with good practice the Trustees will consider the suitability of the policy in the next financial year.

In considering our reserves policy, we note that our unrestricted reserves at the end of the year was £32.9m which was a £1m increase on the prior year. Within this, the General Fund, which are those unrestricted funds not invested in fixed assets, designated for special purposes or otherwise committed, stood at £2.93m at 31 March 2018 (2017: £0.12m). Whilst the increase in general funds is an improvement on 2017, at a level of a bit over 3 weeks of operational expenditure, we are actively looking to increase it. As noted elsewhere in the report, we have developed a detailed transformation plan that means that during the financial year under review and going forward, there have been and will be various initiatives to improve overall financial performance.

Importantly we also note that there are significant non-operational assets within our unrestricted designated property funds that provide us with confidence that there are reasonable levels of unrestricted reserves in place for the organisation.

## **Investment policy**

Because of its reserves policy, at any point in time, Livability 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 funds;
- To invest in liquid assets so that they can be converted to cash quickly; and
- To invest in a way that does not conflict with the charity's aims and objectives and which is prudently risk free.

All of Livability's surplus funds are currently invested in cash-based investments, with the exception of funds held for long-term investment that form the Endowed Funds and a low value of shareholdings that have been donated to the charity.

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.

## **Principal risks and uncertainties**

The Board takes steps to assure itself that risks are suitably managed and that there are effective systems of control over the operations and finances of the charity that are appropriate to the scale and complexity of its activities. These controls include those to safeguard vulnerable people; financial and operational delegations; and further controls to prevent and detect fraud and ensure the security of assets and the integrity of the services we provide for our beneficiaries.

There are policies and procedures encompassing all operations. These are undergoing a process of review. Quality assurance is provided through an internal Quality and Practice Development ("QPD") Team and an internal audit function.

Livability's service users are drawn from amongst the most vulnerable. Our reputation is critical to maintaining our status as a trusted provider. The risk of damage to our reputation through regulatory and other failings associated with the delivery of our services is managed through a robust set of performance indicators allied to the assurance mechanisms outlined above.

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.

Alongside this and more broadly in the context of tragedies such as Grenfell, we have health and safety policies and procedures in place to ensure the wellbeing of all our relevant stakeholders and we regularly update risk assessments and action issues and concerns identified.

In common with other providers of services funded by the public sector, Livability's operating margins (the difference between the income from and cost of delivering services) continue to be under pressure from limited income growth and increasing

costs. Failing to improve the margins as planned will limit the amount of unrestricted funds available to invest in the future development of our services and their delivery. To that end Livability has implemented a detailed review of its fees and direct cost base, particularly the balance between salary and agency spend. The Board and Executive Team monitor the financial performance of the charity through a performance dashboard and regular meetings with relevant staff. Specifically, Livability has a detailed transformation plan in place to refine and improve its financial performance in the short-to-medium term. Going forward Livability will seek opportunities to increase the breadth of services through merger, acquisition and other collaborations to enable the costs of delivery support to be shared across a wider base.

There are known workforce shortages affecting recruitment and retention across health, education and social care. Livability will therefore design and deliver the most effective and achievable workforce resourcing solutions to build the workforce needed to sustain high standards across the Charity's service portfolio.

Livability's three closed defined benefit pension schemes are subject to risks around their funding that are outside the control of the charity. The risks derive from longevity, financial asset returns, inflation and salary growth as well as broader economic factors such as quantitative easing. 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 seeks expert advice and support to ensure that the needs of the current beneficiaries of the charity and those of its current and future pensioner populations are balanced correctly. The strength of the charity's covenant with the pension schemes is maintained and enhanced through the management of its activities for sustainable growth.

## **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, and
- 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 26th September 2018 and signed on its behalf by



**Alex Botha**  
Company Secretary

## **Independent Auditor's Report to the 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 2018 which comprise the consolidated statement of financial activities, the statement of financial activities the consolidated balance sheet, the balance sheet, the consolidated statement of cash flows, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2018 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.

### **Conclusions related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: A message from Livability's Chair of Trustees and CEO, A



message from HRH The Princess Royal, The Trustees' Report, the Strategic Report and the Financial Review. 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
- 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**

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, 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.

*BDO LLP*

**Julia Poulter (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
London

Date: *19<sup>th</sup> October 2018*

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

**Livability Group  
Consolidated  
Statement of  
Financial  
Activities**

Year ended 31 March 2018

Year ended 31 March 2017

		Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
							Restated		
	Note	£000	£000	£000	£000	£000	£000	£000	£000
<b>Income from:</b>									
Donations and legacies	2	4,276	615	–	4,891	2,957	1,144	–	4,101
Charitable activities	2	38,239	1,447	–	39,686	32,234	9,553	84	41,871
Other trading activities	2	1,538	7	–	1,545	57	–	–	57
Investments	3	37	14	7	58	108	41	7	156
Gains on disposal of fixed assets	4	–	–	–	–	508	–	9	517
Other		–	–	–	–	–	53	–	53
Income from gift of a charity	2	–	–	–	–	–	3,533	–	3,533
<b>Total income</b>		<b>44,090</b>	<b>2,083</b>	<b>7</b>	<b>46,180</b>	<b>35,864</b>	<b>14,324</b>	<b>100</b>	<b>50,288</b>
<b>Expenditure on:</b>									
Raising funds	5	1,433	5	–	1,438	1,184	65	–	1,249
Charitable activities	5	44,254	1,284	29	45,567	39,430	12,270	82	51,782
Other	5	993	–	–	993	356	191	–	547
Loss on disposal of fixed assets		60	–	–	60	–	–	–	–
<b>Total expenditure</b>		<b>46,740</b>	<b>1,289</b>	<b>29</b>	<b>48,058</b>	<b>40,970</b>	<b>12,526</b>	<b>82</b>	<b>53,578</b>
Net gain on revaluation of investments	9, 10	62	(1)	5	66	2,151	6	2,182	4,339
<b>Net income / (expenditure)</b>		<b>(2,588)</b>	<b>793</b>	<b>(17)</b>	<b>(1,812)</b>	<b>(2,955)</b>	<b>1,804</b>	<b>2,200</b>	<b>1,049</b>
Transfer between funds	14	811	(811)	–	–	182	(182)	–	–
<b>Other recognised gains / (losses)</b>									
Actuarial gains / (losses) on defined benefit pension schemes	13	2,748	–	–	2,748	(1,626)	–	–	(1,626)
<b>Net movement in funds</b>		<b>971</b>	<b>(18)</b>	<b>(17)</b>	<b>936</b>	<b>(4,399)</b>	<b>1,622</b>	<b>2,200</b>	<b>(577)</b>
<b>Reconciliation of funds</b>									
Total funds brought forward	14	31,939	7,012	7,605	46,556	36,338	5,390	5,405	47,133
<b>Total funds carried forward</b>		<b>32,910</b>	<b>6,994</b>	<b>7,588</b>	<b>47,492</b>	<b>31,939</b>	<b>7,012</b>	<b>7,605</b>	<b>46,556</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 29 to 64 form part of these financial statements.

# **Livability Charity** **Statement of** **Financial Activities**

Livability Charity Statement of Financial Activities		Year ended 31 March 2018				Year ended 31 March 2017			
		Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	Note	£000	£000	£000	£000	£000	Restated £000	£000	£000
Income from:									
Donations and legacies	2	4,276	542	–	4,818	2,957	694	–	3,651
Charitable activities	2	37,586	5	–	37,591	31,449	73	84	31,606
Other trading activities	2	1,507	–	–	1,507	1,268	–	–	1,268
Investments	3	37	–	6	43	108	–	6	114
Gains on disposal of fixed assets	4	–	–	–	–	508	–	9	517
Income from gift of a charity	2	167	–	–	167	–	3,533	–	3,533
Total income		43,573	547	6	44,126	36,290	4,300	99	40,689
Expenditure on:									
Raising funds	5	1,433	–	–	1,433	1,184	–	–	1,184
Charitable activities	5	44,109	158	29	44,296	40,031	785	82	40,898
Other	5	839	–	–	839	274	2,276	–	2,550
Loss on disposal of fixed assets		60	–	–	60	–	–	–	–
Total expenditure		46,441	158	29	46,628	41,489	3,061	82	44,632
Net gains on revaluation of investments	9, 10	62	–	5	67	2,151	6	2,179	4,336
Net income / (expenditure)		(2,806)	389	(18)	(2,435)	(3,048)	1,245	2,196	393
Transfer between funds	14	811	(811)	–	–	182	(182)	–	–
Other recognised gains / (losses)									
Actuarial gains / (losses) on defined benefit pension schemes	13	2,748	–	–	2,748	(1,626)	–	–	(1,626)
Net movement in funds		753	(422)	(18)	313	(4,492)	1,063	2,196	(1,233)
Reconciliation of funds									
Total funds brought forward		32,172	4,727	7,566	44,465	36,664	3,664	5,370	45,698
Total funds carried forward		32,925	4,305	7,548	44,778	32,172	4,727	7,566	44,465

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 29 to 64 form part of these financial statements.

# **Livability Group and Charity Balance Sheets**

At 31 March 2018

		Group		Charity	
	Note	2018	2017	2018	2017
			Restated		Restated
		£000	£000	£000	£000
<b>Fixed assets:</b>					
Tangible assets	8	41,093	41,292	38,496	35,235
Financial investments	9	3,534	4,547	3,521	6,202
Social investments	10	10,150	12,080	10,150	12,080
<b>Total fixed assets</b>		<b>54,777</b>	<b>57,919</b>	<b>52,167</b>	<b>53,517</b>
<b>Current assets:</b>					
Debtors and stocks	11	5,666	3,919	5,670	5,533
Properties held for sale	—	—	—	—	—
Cash at bank and in hand		6,135	6,302	5,783	5,875
<b>Total current assets</b>		<b>11,801</b>	<b>10,221</b>	<b>11,453</b>	<b>11,408</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(8,114)	(10,934)	(7,870)	(9,810)
<b>Net current assets</b>		<b>3,687</b>	<b>(713)</b>	<b>3,583</b>	<b>1,598</b>
<b>Total assets less current liabilities</b>		<b>58,464</b>	<b>57,206</b>	<b>55,750</b>	<b>55,115</b>
Creditors: amounts falling due after more than one year	12	(4,472)	(47)	(4,472)	(47)
<b>Net assets excluding pension liability</b>		<b>53,992</b>	<b>57,159</b>	<b>51,278</b>	<b>55,068</b>
Defined benefit pension liability	13	(6,500)	(10,603)	(6,500)	(10,603)
<b>Total net assets</b>		<b>47,492</b>	<b>46,556</b>	<b>44,778</b>	<b>44,465</b>
<b>The funds of the charity:</b>					
Permanent endowment funds	14	7,588	7,605	7,548	7,566
Restricted funds	14	6,994	7,012	4,305	4,727
Unrestricted funds	14	39,410	42,542	39,425	42,775
Pension reserve	14	(6,500)	(10,603)	(6,500)	(10,603)
<b>Total funds</b>		<b>47,492</b>	<b>46,556</b>	<b>44,778</b>	<b>44,465</b>

Approved by the Board of Trustees on 26th September 2018 and signed on their behalf by



Sally Chivers, Chair of Trustees

The notes on pages 29 to 64 form part of these financial statements.

## Statement of Cash Flows

For the year ended 31 March 2018

		Group		Charity	
	Note	2018	2017	2018	2017
			Restated		Restated
		£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by / (used in) by operating activities	C1	(2,847)	(5,367)	(5,038)	(7,069)
<b>Cash flows from investing activities</b>					
Dividends, interest and rent from investments		58	156	43	114
Proceeds from the sale of property, plant and equipment		1,213	919	1,213	919
Purchase of property, plant and equipment		(2,191)	(2,487)	(549)	(986)
Proceeds from sale of investments		3,155	1,378	2,516	1,378
Purchase of investments		(9)	(8)	(9)	(8)
Cash outflows arising on gift of a charity		–	(1,198)	–	(1,672)
<b>Net cash provided by / (used in) investing activities</b>		<b>2,226</b>	<b>(1,240)</b>	<b>3,214</b>	<b>(255)</b>
<b>Cash flows from financing activities</b>					
Interest on financing activities		(224)	(186)	(224)	(186)
Repayments of borrowings		(5,322)	(879)	(4,044)	(282)
Cash inflows from new borrowing		6,000	–	6,000	–
<b>Net cash provided by / (used in) financing activities</b>		<b>454</b>	<b>(1,065)</b>	<b>1,732</b>	<b>(468)</b>
Change in cash and cash equivalents in the period		(167)	(7,672)	(92)	(7,792)
Cash and cash equivalents at the start of the period		6,302	13,974	5,876	13,668
<b>Cash and cash equivalents at the end of the period</b>		<b>6,135</b>	<b>6,302</b>	<b>5,784</b>	<b>5,876</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	
	2018	2017	2018	2017
		Restated		Restated
	£000	£000	£000	£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	(1,812)	1,049	(2,435)	393
<i>Adjustments for:</i>				
Depreciation charges	980	1,237	944	1,199
(Gains) / losses on investments	(66)	(4,339)	(67)	(4,336)
Dividends, interest and rent from investments	(58)	(156)	(43)	(114)
Interest on financing activities	224	186	224	186
Income from the gift of a charity	–	(3,533)	(2,758)	(3,533)
(Gains) / losses on the disposal of fixed assets	60	(173)	60	(173)
(Increase) / decrease in debtors	(1,747)	(970)	(137)	(2,248)
Increase / (decrease) in creditors	927	970	529	1,195
Increase / (decrease) in non cash movements in pension scheme	(1,355)	362	(1,355)	362
<b>Net cash flow provided by / (used in) operations</b>	<b>(2,847)</b>	<b>(5,367)</b>	<b>(5,038)</b>	<b>(7,069)</b>

## C2. Reconciliation of net cash flow to movement in net funds

	At 31 March 2017	Cash flow	Non-cash movement	At 31 March 2018
	£000	£000	£000	£000
Cash at bank and in hand	6,302	(167)	–	6,135
Short-term deposits	–	–	–	–
Cash as defined by	6,302	(167)	–	6,135
Cash investments	–	–	–	–
Cash disclosed in the balance sheet	6,302	(167)	–	6,135
Bank loans	(4,947)	(678)	–	(5,625)
<b>Net funds</b>	<b>1,355</b>	<b>(845)</b>	<b>–</b>	<b>510</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 2015) 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 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.

### **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.

#### *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 intended by their donor to be retained and used by the charity to pursue its objects either by its use or by generating income.



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

### *Transfers between funds*

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.

### **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. The value of legacies where a life interest exists is shown in note 16.

#### *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**

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.

### **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.

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

### *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

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.

## **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 in 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.

## **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.

#### *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.

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

### **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.

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

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

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.

### **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.

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.

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

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 groups.

### **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)

## Note 2 Analysis of income

Group	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	2018	2018	2018	2018	2017	2017 Restated	2017	2017
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Donations and legacies</b>								
Donations	2,134	256	–	2,390	1,207	1,083	–	2,290
Income from charitable events	49	5	–	54	59	13	–	72
Legacies	2,093	354	–	2,447	1,691	48	–	1,739
<b>Total donations and legacies</b>	<b>4,276</b>	<b>615</b>	<b>–</b>	<b>4,891</b>	<b>2,957</b>	<b>1,144</b>	<b>–</b>	<b>4,101</b>
<b>Charitable activities</b>								
Residential and community care services	26,125	23	–	26,148	19,500	9,166	–	28,666
Education and care services	12,102	1,424	–	13,526	12,702	387	–	13,089
Community Engagement	12	–	–	12	31	–	–	31
Trusts	–	–	–	–	1	–	84	85
<b>Total charitable activities</b>	<b>38,239</b>	<b>1,447</b>	<b>–</b>	<b>39,686</b>	<b>32,234</b>	<b>9,553</b>	<b>84</b>	<b>41,871</b>
Other trading activities	1,538	7	–	1,545	57	–	–	57
Investments	37	14	7	58	108	41	7	156
Gains on disposals of fixed assets	–	–	–	–	508	–	9	517
Other	–	–	–	–	–	53	–	53
Income from gift of a charity	–	–	–	–	–	3,533	–	3,533
<b>Total income</b>	<b>44,090</b>	<b>2,083</b>	<b>7</b>	<b>46,180</b>	<b>35,864</b>	<b>14,324</b>	<b>100</b>	<b>50,288</b>

## Note 2 Analysis of income (cont'd)

Charity	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	2018	2018	2018	2018	2017	2017	2017	2017
						Restated		
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Donations and legacies</b>								
Donations	2,134	183	–	2,317	1,207	641	–	1,848
Income from charitable events	49	5	–	54	59	5	–	64
Legacies	2,093	354	–	2,447	1,691	48	–	1,739
<b>Total donations and legacies</b>	<b>4,276</b>	<b>542</b>	<b>–</b>	<b>4,818</b>	<b>2,957</b>	<b>694</b>	<b>–</b>	<b>3,651</b>
<b>Charitable activities</b>								
Residential and community care services	25,472	5	–	25,477	18,715	64	–	18,779
Education and care services	12,102	–	–	12,102	12,702	9	–	12,711
Community Engagement	12	–	–	12	31	–	–	31
Trusts	–	–	–	–	1	–	84	85
<b>Total charitable activities</b>	<b>37,586</b>	<b>5</b>	<b>–</b>	<b>37,591</b>	<b>31,449</b>	<b>73</b>	<b>84</b>	<b>31,606</b>
Other trading activities	1,507	–	–	1,507	1,268	–	–	1,268
Investments	37	–	6	43	108	–	6	114
Gains on disposals of fixed assets	–	–	–	–	508	–	9	517
Income from gift of a charity	167	–	–	167	–	3,533	–	3,533
<b>Total income</b>	<b>43,573</b>	<b>547</b>	<b>6</b>	<b>44,126</b>	<b>36,290</b>	<b>4,300</b>	<b>99</b>	<b>40,689</b>

Income from gift of a charity is the result of the take on of the net assets of East Holton Charity (2016-17 £3,533,000 from the merger with Prospects For People With Learning Disabilities, and At Home In The Community)



### Note 3 Income from investments

Group	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	2018	2018	2018	2018	2017	2017	2017	2017
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Analysis of income from investments</b>								
Property rental	29	14	–	43	56	41	–	97
Bank interest receivable	4	–	–	4	33	–	1	34
Dividends from investments	4	–	7	11	19	–	6	25
<b>Total income from investments</b>	<b>37</b>	<b>14</b>	<b>7</b>	<b>58</b>	<b>108</b>	<b>41</b>	<b>7</b>	<b>156</b>
<b>Analysis of gains from investment valuations</b>								
Listed investments	62	(1)	5	66	55	6	34	95
Investment property	–	–	–	–	530	–	30	560
Social investments	–	–	–	–	1,566	–	2,118	3,684
<b>Total gains from investment valuations</b>	<b>62</b>	<b>(1)</b>	<b>5</b>	<b>66</b>	<b>2,151</b>	<b>6</b>	<b>2,182</b>	<b>4,339</b>

### Note 4 Gains on disposal of fixed assets

Gains on asset disposals	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
Disposal proceeds net of costs	4,285	2,371	3,645	2,371
Net book value of disposed assets	(4,345)	(1,854)	(3,705)	(1,854)
<b>Gains on disposal</b>	<b>(60)</b>	<b>517</b>	<b>(60)</b>	<b>517</b>

## Note 5 Expenditure analysis

Group	Unres- tricted Funds 2018 £000	Rest- ricted Funds 2018 £000	Endow- ment Funds 2018 £000	Total Funds 2018 £000	Unres- tricted Funds 2017 £000	Rest- ricted Funds 2017 £000 Restated	Endow- ment Funds 2017 £000	Total Funds 2017 £000
Raising funds								
Internal fundraising costs	991	5	–	996	814	65	–	879
Bought in services	275	–	–	275	118	–	–	118
Support costs	167	–	–	167	252	–	–	252
<b>Total raising funds</b>	<b>1,433</b>	<b>5</b>	<b>–</b>	<b>1,438</b>	<b>1,184</b>	<b>65</b>	<b>–</b>	<b>1,249</b>
Costs of charitable activities								
Residential and community care services	31,484	677	–	32,161	25,277	11,556	–	36,833
Education and care services	12,022	607	–	12,629	13,578	714	–	14,292
Community Engagement	745	–	–	745	545	–	–	545
Trusts	3	–	29	32	30	–	82	112
<b>Total charitable activities</b>	<b>44,254</b>	<b>1,284</b>	<b>29</b>	<b>45,567</b>	<b>39,430</b>	<b>12,270</b>	<b>82</b>	<b>51,782</b>
Other	993	–	–	993	356	191	–	547
Losses on disposal of fixed assets	60	–	–	60				
<b>Total expenditure</b>	<b>46,740</b>	<b>1,289</b>	<b>29</b>	<b>48,058</b>	<b>40,970</b>	<b>12,526</b>	<b>82</b>	<b>53,578</b>
Charity								
	Unres- tricted Funds 2018 £000	Rest- ricted Funds 2018 £000	Endow- ment Funds 2018 £000	Total Funds 2018 £000	Unres- tricted Funds 2017 £000	Rest- ricted Funds 2017 £000 Restated	Endow- ment Funds 2017 £000	Total Funds 2017 £000
Raising funds								
Internal fundraising costs	991	–	–	991	814	–	–	814
Bought in services	275	–	–	275	118	–	–	118
Support costs	167	–	–	167	252	–	–	252
<b>Total raising funds</b>	<b>1,433</b>	<b>–</b>	<b>–</b>	<b>1,433</b>	<b>1,184</b>	<b>–</b>	<b>–</b>	<b>1,184</b>
Costs of charitable activities								
Residential and community care services	31,339	67	–	31,406	25,828	583	–	26,411
Education and care services	12,022	91	–	12,113	13,628	202	–	13,830
Community Engagement	745	–	–	745	545	–	–	545
Trusts	3	–	29	32	30	–	82	112
<b>Total charitable activities</b>	<b>44,109</b>	<b>158</b>	<b>29</b>	<b>44,296</b>	<b>40,031</b>	<b>785</b>	<b>82</b>	<b>40,898</b>
Other	839	–	–	839	274	–	–	274
Impairment of subsidiary investment	–	–	–	–	–	2,276	–	2,276
Losses on disposal of fixed assets	60	–	–	60				
<b>Total expenditure</b>	<b>46,441</b>	<b>158</b>	<b>29</b>	<b>46,628</b>	<b>41,489</b>	<b>3,061</b>	<b>82</b>	<b>44,632</b>

## Note 5 Expenditure analysis (cont'd)

### Allocation of support costs – Group

	Raising funds	Residential and community care services	Education services	Community Engagement	Total
	£000	£000	£000	£000	£000
Senior Management	20	425	164	11	620
Human Resources	13	741	322	10	1,086
Finance	57	1,191	460	31	1,739
Information Technology	13	688	299	9	1,009
Corporate Services	47	988	382	25	1,442
Marketing & Communications	17	359	139	9	524
<b>Total</b>	<b>167</b>	<b>4,392</b>	<b>1,766</b>	<b>95</b>	<b>6,420</b>
<b>2017 Total</b>	<b>252</b>	<b>5,570</b>	<b>2,098</b>	<b>47</b>	<b>7,967</b>

All costs are allocated on the basis of total expenditure (as a proxy measure for usage of resources) other than those for Human Resources which are allocated on the basis of headcount.

Analysis of direct and support costs – Group	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	2018	2018	2018	2017	2017	2017
	£000	£000	£000	£000	£000	£000
<b>Raising funds</b>						
Internal fundraising costs	996	167	1,163	879	252	1,131
Bought in services	275	–	275	118	–	118
<b>Total raising funds</b>	<b>1,271</b>	<b>167</b>	<b>1,438</b>	<b>997</b>	<b>252</b>	<b>1,249</b>
<b>Costs of charitable activities</b>						
Residential and community care services	27,769	4,392	32,161	30,751	5,570	36,833
Education and care services	10,863	1,766	12,629	12,128	2,098	14,292
Community Engagement	650	95	745	498	47	545
Trusts	32	–	32	112	–	112
<b>Total charitable activities</b>	<b>39,314</b>	<b>6,253</b>	<b>45,567</b>	<b>43,489</b>	<b>7,715</b>	<b>51,782</b>
Other	993	–	993	547	–	547
Loss on Disposal of fixed assets	60	–	60	–	–	–
<b>Total expenditure</b>	<b>41,638</b>	<b>6,420</b>	<b>48,058</b>	<b>45,033</b>	<b>7,967</b>	<b>53,578</b>

## Note 5 Expenditure analysis (cont'd)

Net income / (expenditure) is stated after charging / (crediting):

	Group	
	2018	2017
	£000	£000
Depreciation	980	1,237
Auditor's remuneration:		
Audit current year	48	73
Other services	11	2
Other Group Auditors	66	48
Interest payable	224	186
Operating lease charges:		
Land and buildings	730	858
Other equipment	87	137

## Note 6 Staff and staffing costs

The average monthly number of staff employed and average number of full-time equivalents (FTE) was:

	Group		Group	
	2018		2017	
	Number	FTE	Number	FTE
Education services	614	315	586	345
Residential and community services	1,263	725	1,354	739
Community Engagement	14	10	17	5
Generating funds	15	13	25	17
Support functions	67	61	118	98
<b>Total</b>	<b>1,973</b>	<b>1,124</b>	<b>2,100</b>	<b>1,204</b>

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Analysis of staff costs				
Wages and salaries	28,528	30,835	27,713	24,199
Social security costs	2,187	2,333	2,117	1,862
Employer contributions to defined contribution pension schemes	898	1,014	890	968
Operating costs of defined benefit pension schemes	506	613	506	613
Redundancy and termination payments	129	526	129	410
Agency staff	4,062	3,894	4,060	2,607
<b>Total staff costs</b>	<b>36,310</b>	<b>39,215</b>	<b>35,415</b>	<b>30,659</b>

For the group, redundancy payments were £109,000 (2017: £299,000) and termination payments were £20,000 (2017: £227,000).

Following the merger with Prospects the 2017-18 charity staff costs include £5.2m of costs that relate to staff who were previously employed by Prospects

## Note 6 Staff and staffing costs (cont'd)

### 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:

	2018	2017
£60,000 – £69,999	6	2
£70,000 – £79,999	5	6
£80,000 – £89,999	–	2
£90,000 – £99,999	2	–
£110,000 – £119,999	–	1
£120,000 – £129,999	1	–

### Remuneration of key management personnel – Group

	2018	2017
	£000	£000
The remuneration of key management personnel was:		
Wages and salaries	521	407
Contributions to defined contribution pension schemes	64	59
Termination payments	–	–
Employers NI	60	43
<b>Total</b>	<b>645</b>	<b>509</b>

## Note 7 Subsidiary undertakings

At the date of the accounts, Livability has thirteen wholly-owned subsidiary entities that carry out particular functions or provide services. They are:

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

## Note 7 Subsidiary Undertakings (cont'd)

The results and balance sheets of these subsidiaries are consolidated into the financial statements of the Livability Group reported in the Trustees Annual Report and Accounts.

Information relating to the subsidiary entities is set out in the table below:

	Turnover or incoming resources	Operating profit or net incoming / (outgoing) resources	Transfer to the Charity	Aggregate assets	Aggregate liabilities	Net assets
	£000	£000	£000	£000	£000	£000
John Grooms	–	–	–	–	–	–
The Shaftesbury Society	1	1	–	37	–	37
Livability Icanho Limited	836	121	–	2	–	2
Kingsley Hall Church and Community Centre	1,493	954	–	2,889	339	2,550
Livability Contracting Services Limited	1,472	7	–	247	247	–
East Holton Charity	35	(39)	(1,217)	–	–	–
Holton Lee Limited	67	37	–	61	61	–
Prospects For People With Learning Disabilities	536	–	(1,536)	13	13	–
Prospects Trading Limited	–	–	–	8	–	8
At Home in the Community	–	–	–	–	–	–
A Cause for Concern	–	–	–	–	–	–
Grooms Shaftesbury Limited	–	–	–	–	–	–
Shaftesbury Care Limited	–	–	–	–	–	–
	<b>4,440</b>	<b>1,081</b>	<b>(2,753)</b>	<b>3,257</b>	<b>660</b>	<b>2,597</b>

## Note 8 Tangible fixed assets

Group	Functional freehold property £000	Assets under construction £000	Functional leasehold property £000	Other fixed assets £000	Total £000
<b>Cost</b>					
At 1 April 2017	39,633	18	1,655	7,154	48,460
Additions	206	1,621	30	334	2,191
Disposals and retirements	(1,479)	–	–	(66)	(1,545)
<b>At 31 March 2018</b>	<b>38,360</b>	<b>1,639</b>	<b>1,685</b>	<b>7,422</b>	<b>49,106</b>
<b>Depreciation</b>					
At 1 April 2017	1,264	–	151	5,753	7,168
Charged in the year	515	–	96	369	980
Released on disposal or retirement	(134)	–	–	(1)	(135)
<b>At 31 March 2018</b>	<b>1,645</b>	<b>–</b>	<b>247</b>	<b>6,121</b>	<b>8,013</b>
<b>Net book value</b>					
<b>At 31 March 2018</b>	<b>36,715</b>	<b>1,639</b>	<b>1,438</b>	<b>1,301</b>	<b>41,093</b>
At 31 March 2017 (restated)	38,369	18	1,504	1,401	41,292

Group fixed assets include assets with carrying values of £21,156,000 (2017: £9,560,000) which have been pledged as security for bank loans disclosed in note 13.

The assets under construction represent the cost to date of the development of the Pre-school block and 4 residential flats at Kingsley Hall Church and Community Centre.



## Note 8 Tangible fixed assets (cont'd)

Charity	Functional freehold property £000	Functional leasehold property £000	Other fixed assets £000	Total £000
<b>Cost</b>				
At 1 April 2017	33,576	1,655	7,019	42,250
Additions	188	30	331	549
Transferred from subsidiary	6,041	–	255	6,296
Disposals, retirements and write offs	(1,479)	–	(66)	(1,545)
<b>At 31 March 2018</b>	<b>38,326</b>	<b>1,685</b>	<b>7,539</b>	<b>47,550</b>
<b>Depreciation</b>				
At 1 April 2017	1,187	151	5,677	7,015
Charged in the year	487	96	361	944
Transferred from subsidiary	1,006	–	224	1,230
Released on disposal, retirement and write offs	(134)	–	(1)	(135)
<b>At 31 March 2018</b>	<b>2,546</b>	<b>247</b>	<b>6,261</b>	<b>9,054</b>
<b>Net book value</b>				
<b>At 31 March 2018</b>	<b>35,780</b>	<b>1,438</b>	<b>1,278</b>	<b>38,496</b>
<b>At 31 March 2017 (restated)</b>	<b>32,389</b>	<b>1,504</b>	<b>1,342</b>	<b>35,235</b>

Charity fixed assets include assets with carrying values of £21,156,000 (2017: £7,587,000) which have been pledged as security for bank loans disclosed in note 13.

## Note 9 Financial investments

Financial investments and the movements in their values are as follows:

	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
<b>Analysis of changes in investment values</b>				
Investments at the start of the year	4,547	4,221	6,202	4,613
Additions	9	8	9	3,550
Disposals	(1,088)	(337)	(449)	(337)
Gains / (losses) on revaluation	66	655	67	652
Impairment of subsidiary investments	–	–		(2,276)
Distribution from subsidiaries	–	–	(2,308)	–
<b>Investments at the end of the year</b>	<b>3,534</b>	<b>4,547</b>	<b>3,521</b>	<b>6,202</b>
<b>Analysis of investments</b>				
Investment properties	2,750	3,850	2,750	3,210
Cash and cash equivalents	137	128	137	128
Listed investments	647	569	626	548
Other investments	–	–	–	–
Investments in subsidiary entities	–	–	8	2,316
<b>Total investments</b>	<b>3,534</b>	<b>4,547</b>	<b>3,521</b>	<b>6,202</b>

## Note 10 Social investments

Movements in social investments, all of which are properties, held by the group and the charity are as follows:

	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
Investments at the start of the year	12,080	9,059	12,080	9,059
Disposals	(1,930)	(663)	(1,930)	(663)
Gains / (losses) on revaluation	–	3,684	–	3,684
<b>Investments at the end of the year</b>	<b>10,150</b>	<b>12,080</b>	<b>10,150</b>	<b>12,080</b>

The property revaluations were performed by Mark P Burton Bsc FRICS of Mass and Company in March 2017. Valuations are on a Fair Value basis, with Social Investments being valued on the basis of existing use, assuming for each property that no encumbrances or covenants exist which are likely to have a material impact on the operational use. The Trustees do not consider there to be any material change in valuation during the year.

Historical cost of investment properties is £1,050,451 (2017: £1,305,000). Listed investments are mainly donated shares with an immaterial historical cost.

## Note 11 Debtors

	Group 2018	Group 2017 Restated	Charity 2018	Charity 2017 Restated
	£000	£000	£000	£000
Trade receivables	2,768	1,969	2,753	1,937
Prepayments and accrued income	2,280	1,939	1,988	1,932
Other debtors	618	11	618	56
Amounts due from Subsidiary undertakings	–	–	311	1,608
	<b>5,666</b>	<b>3,919</b>	<b>5,670</b>	<b>5,533</b>

## Note 12 Creditors

	Group 2018 £000	Group 2017 Restated £000	Charity 2018 £000	Charity 2017 Restated £000
<b>Amounts falling due within one year:</b>				
Derivative financial instrument liabilities	193	193	193	193
Trade payables	2,080	939	1,911	854
Accrued charges and deferred income	3,179	3,266	3,085	3,219
Taxation and social security	687	680	597	657
Bank loans	1,200	4,947	1,200	3,669
Other creditors	775	909	708	894
Amounts due to Group Entities	–	–	176	324
	<b>8,114</b>	<b>10,934</b>	<b>7,870</b>	<b>9,810</b>

Amounts falling due after more than one year:

Accrued charges and deferred income	47	47	47	47
Bank loans	4,425	–	4,425	–
	<b>4,472</b>	<b>47</b>	<b>4,472</b>	<b>47</b>

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

	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
Within 1 year	1,200	4,947	1,200	3,669
Within 1–2 years	2,400	–	2,400	–
Within 2–5 years	2,025	–	2,025	–
After 5 years	–	–	–	–
	<b>5,625</b>	<b>4,947</b>	<b>5,625</b>	<b>3,669</b>

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

Facility provider	Interest base	Margin	Outstanding at March 2018 £000	Repayable by
Barclays Bank	Barclays base rate	2.75%	5,625	01/06/2020
			<b>5,625</b>	

## **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 2018 at £468,000 (2017: £527,000). There is no intention to withdraw from the scheme and therefore this liability is not recognised in the Accounts at 31 March 2018.

**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 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 £1,802,000 in the year (2017: £1,158,283). 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.

## **Note 13 Pensions (cont'd)**

The last triennial valuation of the Livability DB scheme was carried out as at 30 September 2015 and has been updated to 31 March 2018 by an independent qualified actuary, in accordance with FRS 102.

This most recent actuarial valuation showed a deficit of £9,845,000. The employer has agreed with the Trustee that it will aim to eliminate the deficit over a period of 8 years from 1 April 2017 by the payment of annual contributions of £1,011,000, increasing at 2.6% per annum with first increase on 1 April 2018, in respect of the deficit. In addition, the employer will pay annual contributions of £124,201 in respect of scheme expenses.

The recovery contribution made to the Livability DB scheme by the Charity in the year was £991,000, as set out in the previous agreed deficit recovery plan, plus a contribution for administration expenses of £131,000. The next triennial valuation which will be undertaken as at 30 September 2018.

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 was £530,000, plus administration expenses of £137,000. The contributions for the year to 31st March 2019 are expected to be £530,000.

## Note 13 Pensions (cont'd)

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

		At 31 March 2018	At 31 March 2017
<b>Defined benefit schemes</b>			
Discount rate		2.60%	2.60%
Rate of increase in salaries		3.20%	3.30%
Inflation assumption	CPI	2.20%	2.30%
	RPI	3.20%	3.30%

### Pension increases:

#### *The Livability Final Salary Pension Scheme*

Deferred pensions of RPI or 5% pa if less	3.20%	3.30%
Pensions in payment of CPI or 5% pa if less	2.25%	2.35%
Pensions in payment of CPI or 3% pa if less	1.90%	1.95%
Pensions in payment of CPI or 2.5% pa if less	1.70%	1.75%

#### *The John Grooms Pension and Assurance Scheme*

Pension earned before 6 April 1994	5.00%	5.00%
GMP earned after 5 April 1994	1.90%	1.96%
Pension in excess of GMP earned after 5 April 1994	3.07%	3.15%

### Assumed life expectancies in years on retirement at age 65 are:

#### *The Livability Final Salary Pension Scheme*

Retiring today	Males	22.3	23.2
	Females	24.0	24.9
Retiring in 20 years' time	Males	23.7	24.9
	Females	25.2	26.4

#### *The John Grooms Pension and Assurance Scheme*

Retiring today	Males	21.6	21.7
	Females	23.5	23.7
Retiring in 20 years' time	Males	23.0	23.5
	Females	24.7	25.2

### The Growth Plan

Discount rate	1.71%	1.32%
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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.

## Note 13 Pensions (cont'd)

The assets in the schemes were:

	Livability DB	JGPAS	Growth Plan	Total	Livability DB	JGPAS	Growth Plan	Total
	2018	2018	2018	2018	2017	2017	2017	2017
	£000	£000	£000	£000	£000	£000	£000	£000
Equity	15,110	5,298	–	20,408	20,141	5,329	–	25,470
Bonds	14,511	12,108	–	26,619	8,953	11,658	–	20,611
Property	1,803	–	–	1,803	1,670	–	–	1,670
Cash and current liabilities	151	44	–	195	155	71	–	226
<b>Fair value of scheme assets</b>	<b>31,575</b>	<b>17,450</b>	<b>–</b>	<b>49,025</b>	<b>30,919</b>	<b>17,058</b>	<b>–</b>	<b>47,977</b>
Present value of scheme liabilities	(36,032)	(19,025)	(468)	(55,525)	(38,957)	(19,096)	(527)	(58,580)
<b>Pension liability disclosed in the financial statements</b>	<b>(4,457)</b>	<b>(1,575)</b>	<b>(468)</b>	<b>(6,500)</b>	<b>(8,038)</b>	<b>(2,038)</b>	<b>(527)</b>	<b>(10,603)</b>
The actual return on scheme assets over the period was:	1,553	419	–	1,972	6,319	2,725	–	9,044

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 2016	32,940	16,059	48,999
Current service cost	110	179	289
Interest cost	1,131	551	1,682
Remeasurement (gains) / losses	6,142	3,142	9,284
Benefits paid	(1,366)	(835)	(2,201)
<b>Present value of liabilities at 31 March 2017</b>	<b>38,957</b>	<b>19,096</b>	<b>58,053</b>
Current service cost	119	137	256
Interest cost	988	499	1,487
Remeasurement (gains) / losses	(2,000)	(13)	(2,013)
Benefits paid	(2,032)	(694)	(2,726)
<b>Present value of liabilities at 31 March 2018</b>	<b>36,032</b>	<b>19,025</b>	<b>55,057</b>



## Note 13 Pensions (cont'd)

Movements in the fair value of scheme assets have been:

	Livability DB £000	JGPAS £000	Total £000
Fair value of scheme assets at 31 March 2016	24,866	14,449	39,315
Interest income	866	504	1,370
Remeasurement gains / (losses)	5,453	2,221	7,674
Contributions by employer	1,100	719	1,819
Benefits paid	(1,366)	(835)	(2,201)
<b>Fair value of scheme assets at 31 March 2017</b>	<b>30,919</b>	<b>17,058</b>	<b>47,977</b>
Interest income	792	452	1,244
Remeasurement gains / (losses)	761	(33)	728
Contributions by employer	1,135	667	1,802
Benefits paid	(2,032)	(694)	(2,726)
<b>Fair value of scheme assets at 31 March 2018</b>	<b>31,575</b>	<b>17,450</b>	<b>49,025</b>

## Note 13 Pensions (cont'd)

### The Growth Plan

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

	£000
Present value of payments at 31 March 2016	557
Interest cost	11
Contributions	(57)
Remeasurements	16
<b>Present value of payments at 31 March 2017</b>	<b>527</b>
Interest cost	7
Contributions	(59)
Remeasurements	(7)
<b>Present value of payments at 31 March 2018</b>	<b>468</b>

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

	2018 £000	2017 £000
Current service cost	256	289
Net interest cost	250	323
Included in net income / (expenditure)	506	612
Actuarial (gains) / losses	(2,748)	1,626
<b>Total recognised gains and losses reported in the SOFA</b>	<b>(2,242)</b>	<b>2,238</b>

Contributions and administration fees payable in the year ending 31 March 2019 are expected to be:

	£000
The Livability Final Salary Pension Scheme	1,161
The Pensions Trust Growth Plan	60
John Grooms Pension and Assurance Scheme	530
	<b>1,751</b>

## Note 14 Funds (Group)

	Balance at 31 March 2017 Restated	Incoming resources	Outgoing resources	Unrealised gains / (losses)	Transfers	Balance at 31 March 2018
	£000	£000	£000	£000	£000	£000
<b>Designated Funds:</b>						
Property fund	27,631	–	(567)	–	(3,326)	23,738
Equipment fund	1,401	–	(369)	–	269	1,301
Revaluation fund	13,389	–	(44)	62	(1,973)	11,434
<b>Total designated funds</b>	<b>42,421</b>	<b>–</b>	<b>(980)</b>	<b>62</b>	<b>(5,030)</b>	<b>36,473</b>
General Fund	121	44,090	(45,254)	–	3,980	2,937
<b>Unrestricted funds before pension liability</b>	<b>42,542</b>	<b>44,090</b>	<b>(46,234)</b>	<b>62</b>	<b>(1,050)</b>	<b>39,410</b>
Pension reserve	(10,603)	–	(506)	2,748	1,861	(6,500)
<b>Total unrestricted funds</b>	<b>31,939</b>	<b>44,090</b>	<b>(46,740)</b>	<b>2,810</b>	<b>811</b>	<b>32,910</b>
Education	1,155	311	(91)	–	29	1,404
Residential & Community Services	2,023	198	(39)	–	(50)	2,132
Community Engagement	45	2	–	–	9	56
Overseas	102	28	(28)	–	3	105
Giving by Lending	57	–	–	–	–	57
F Clements Will Trust	30	–	–	–	–	30
Faith & Hope Nurseries	78	–	–	–	–	78
Kingsley Hall Church & Community Centre	93	1,501	(521)	(1)	–	1,072
Kingsley Hall, Dagenham	1,549	–	–	–	–	1,549
Prospects	518	–	–	–	(65)	453
Prospects - general	894	–	(536)	–	(358)	–
Holton Lee	50	22	(2)	–	(12)	58
Holton Lee - general	418	21	(72)	–	(367)	–
<b>Total Restricted Funds</b>	<b>7,012</b>	<b>2,083</b>	<b>(1,289)</b>	<b>(1)</b>	<b>(811)</b>	<b>6,994</b>

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

	Balance at 31 March 2017 Restated	Incoming resources	Outgoing resources	Unrealised gains / (losses)	Transfers	Balance at 31 March 2018
	£000	£000	£000	£000	£000	£000
<b>Permanent Endowment Funds</b>						
Chiswick	1,958	—	(2)	—	—	1,956
Highway	2,625	4	(18)	2	—	2,613
Marsh St.	925	—	(3)	—	—	922
Coney Hill Will	26	—	—	—	—	26
Welcome	991	—	(5)	—	—	986
SHBEF	30	—	—	—	—	30
Shaftesbury Development	503	2	—	1	—	506
Beddington	50	1	—	2	—	53
Platt	497	—	(1)	—	—	496
<b>Total Permanent Endowment Funds</b>	<b>7,605</b>	<b>7</b>	<b>(29)</b>	<b>5</b>	<b>—</b>	<b>7,588</b>
<b>Total funds</b>	<b>46,556</b>	<b>46,180</b>	<b>(48,058)</b>	<b>2,814</b>	<b>—</b>	<b>47,492</b>

Restricted and permanent endowment funds include revaluation reserves of £85,000 and £4,858,000 respectively (2017: £625,000 and £4,860,000).

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

Name of fund	Description, nature and purpose of Fund
<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
Faith Training Centre	To support the work of the Faith Horticultural Centre
Overseas	Various funds to support our overseas work
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
Holton Lee General	Various funds brought in from the merger with East Holton Charity
Prospects	Various funds brought in as part of the merger with Prospects and now maintained by Livability in line with their original restrictions
Prospects General	Various funds brought in from the merger with Prospects

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

Permanent Endowment funds	Commonly known as	Objects
Chiswick Mission	Chiswick	To promote local mission purposes
Highway Evangelical Church (Stratford)	Highway	To promote local church and mission purposes
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
Samuel Hale Bibby Endowment Fund	SHBEF	To advance the education of children and young persons with physical disabilities
The Shaftesbury Development Fund	Shaftesbury Development	To apply income to the general purposes of Livability
The Beddington Fund	Beddington	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
Platt Mission, Putney	Platt	To promote local mission purposes and the religious education of children and young people

## Note 15 Analysis of net assets by funds

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

	General	Designated	Pension	Restricted	Permanent Endow- ment	Total
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	–	35,840	–	3,670	1,583	41,093
Financial investments	306	2,030	–	43	1,155	3,534
Social investments	997	4,275	–	–	4,878	10,150
Cash	3,003	–	–	3,132	–	6,135
Other current assets	5,432	–	–	234	–	5,666
Current liabilities	(6,801)	(1,200)	–	(85)	(28)	(8,114)
Long-term liabilities	–	(4,472)	(6,500)	–	–	(10,972)
<b>Funds at 31 March 2018</b>	<b>2,937</b>	<b>36,473</b>	<b>(6,500)</b>	<b>6,994</b>	<b>7,588</b>	<b>47,492</b>

Prior Year (restated)

	General	Designated	Pension	Restricted	Permanent Endow- ment	Total
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	–	35,342	–	4,350	1,600	41,292
Financial investments	1,209	1,542	–	647	1,149	4,547
Social investments	–	7,202	–	–	4,878	12,080
Cash	73	3,329	–	2,922	(22)	6,302
Other current assets	3,919	–	–	–	–	3,919
Current liabilities	(5,080)	(4,947)	–	(907)	–	(10,934)
Long-term liabilities	–	(47)	(10,603)	–	–	(10,650)
<b>Funds at 31 March 2017</b>	<b>121</b>	<b>42,421</b>	<b>(10,603)</b>	<b>7,012</b>	<b>7,605</b>	<b>46,556</b>

## Note 16 Commitments and contingent assets

As at 31st March the capital commitments of the charity and the group were as follows:

	2018	2017
	£000	£000
Contracted	424	Nil
Approved not contracted	8	Nil

These amounts relate to the Kingsley Hall Nursery refurbishment and the York House Projects

At the date of the accounts, the charity has been notified of legacies in which a life interest is held with a value of £0.2m (2017: £0.2m) that are contingent assets..

## Note 17 Obligations under operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

Group	Land and Buildings	Other Equipment	Total	Land and Buildings	Other Equipment	Total
	2018	2018	2018	2017	2017	2017
	£000	£000	£000	£000	£000	£000
Within one year	665	68	733	645	136	781
In two to five years	1,574	106	1,680	1,601	255	1,856
In over five years	989	–	989	1,329	–	1,329
	<b>3,228</b>	<b>174</b>	<b>3,402</b>	<b>3,575</b>	<b>391</b>	<b>3,966</b>

Charity	Land and Buildings	Other Equipment	Total	Land and Buildings	Other Equipment	Total
	2018	2018	2018	2017	2017	2017
	£000	£000	£000	£000	£000	£000
Within one year	665	68	733	623	136	759
In two to five years	1,574	106	1,680	1,590	255	1,845
In over five years	989	–	989	1,329	–	1,329
	<b>3,228</b>	<b>174</b>	<b>3,402</b>	<b>3,542</b>	<b>391</b>	<b>3,933</b>



## Note 18 Financial instruments

	Group		Charity	
	2018	2017	2018	2017
		Restated		Restated
	£000	£000	£000	£000
<i>Financial assets at fair value through income and expenditure</i>				
Financial investments	3,534	4,547	3,521	6,202
Social investments	10,150	12,080	10,150	12,080
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Accounts receivable	2,768	1,969	2,753	1,937
Other debtors	618	11	618	56
Amounts due from subsidiaries	–	–	311	1,608
<i>Financial liabilities at fair value through income and expenditure</i>				
Interest rate options	(20)	(20)	(20)	(20)
Secured loans	(173)	(173)	(173)	(173)
<i>Financial liabilities measured at amortised cost</i>				
Bank loans	(5,625)	(4,947)	(5,625)	(3,669)
Trade creditors	(2,080)	(939)	(1,911)	(854)
Amounts due to subsidiaries	–	–	(176)	(324)

Livability entered into a ten-year interest rate collar arrangement with Barclays Bank in August 2007. The collar was designed to protect the charity against extreme movements in interest rates. It was not and is not designated as a hedge of fair value. The options underlying the interest rate collar have been valued using standard option pricing techniques. The collar was settled on expiry in August 2017.

Livability has one secured loan payable with a settlement value which is dependent on the value of the property it was used to purchase.

## 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 10 Trustees in the year to the value of £3,368 and cost of providing training to Trustees in relation to their duties were £275. (2017: 10 Trustees to the value of £4,179; training costs of £2,235).

Livability paid £5,357 in the year (2017: £5,238) to provide indemnity insurance for the Trustees.

Livability received donations of £1,485 (2017: £1,051) from the Trustees.

### Transactions with Subsidiary Undertakings

	The Shaftes- bury Society £000	Livability Icanho Limited £000	Kingsley Hall Church and Commun- ity Centre £000	Livability Contract- ing Services Limited £000	East Holton Charity £000	Holton Lee Limited £000	Prospects £000
<b>2018</b>							
<b>Balance sheet amounts</b>							
Amounts due to Parent undertaking	–	–	281	–	–	29	–
Amounts due from Parent undertaking	16	1	–	147	–	–	13
<b>Income</b>							
Donation from Parent Charity	–	–	8	–	–	–	–
<b>Expenditure</b>							
Charitable Donations Paid	–	149	–	7	–	41	–
<b>2017 (restated)</b>							
<b>Balance sheet amounts</b>							
Amounts due to Parent undertaking	–	–	97	7	1,412	27	–
Amounts due from Parent undertaking	15	37	–	–	–	–	268
<b>Income</b>							
Donation from Parent Charity	–	–	8	–	441	–	–
<b>Expenditure</b>							
Charitable Donations Paid	–	–	–	–	–	37	–

## 20 Events after the balance sheet date

None

## 21 Prior year adjustments

Work continued in 2017/18 to tidy up the merger which took place between Livability and Prospects in 2016/17. This resulted in some prior year adjustments to the following items:

- Fixed assets no longer in use belonging to merged charity
- Accruals not accounted for
- Trade creditor adjustments following a detailed review.

Some prior year creditors not relating to the merger have also been adjusted.

The effects of these adjustments are set out below:

Group	Group				Charity			
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	2017	2017	2017	2017	2017	2017	2017	2017
	£000	£000	£000	£000	£000	£000	£000	£000
Funds at 31 March 2017 as previously reported	32,513	7,062	7,605	47,180	32,796	4,727	7,566	45,089
Other Fixed Assets -computer equipment	(343)	—	—	(343)	(343)	—	—	(343)
Adjustment to amounts due from subsidiary	—	(50)	—	(50)	(50)	—	—	(50)
Adjustment to debtors	4	—	—	4	4	—	—	4
Adjustment to creditors	(235)	—	—	(235)	(235)	—	—	(235)
<b>Restated Funds as at 31 March 2017</b>	<b>31,939</b>	<b>7,012</b>	<b>7,605</b>	<b>46,556</b>	<b>32,172</b>	<b>4,727</b>	<b>7,566</b>	<b>44,465</b>
Net Movement in 2017 funds as previously stated	(3,825)	1,672	2,200	47	(3,868)	1,063	2,196	(609)
Adjustment to income from other trading activities	4	—	—	4	4	—	—	4
Prior year adjustment to expenditure on charitable activities	(578)	(50)	—	(628)	(628)	—	—	(628)
<b>Restated net movement in 2017 funds</b>	<b>(4,399)</b>	<b>1,622</b>	<b>2,200</b>	<b>(577)</b>	<b>(4,492)</b>	<b>1,063</b>	<b>2,196</b>	<b>(1,233)</b>

## **Trusts and supporters 2017-18**

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*

Awareness Fund  
Joan Ainslie Charitable Trust  
Talbot Village Trust  
The Edith Murphy Foundation  
The Nora and Olive Brewer Memorial Trust  
The Thomson-Bree Charitable Trust  
The Audrey Earle Charitable Trust  
Leslie Mary Carter Charitable Trust  
Women's World Day of Prayer  
Alice Ellen Cooper Dean Charitable Foundation  
Mrs KMF Maxwell-Stuart's Charitable Trust

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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 Victoria Education Centre  
Friends of Wall Street  
Friends of York House

## Organisational Details

<b>Patron</b>	Her Royal Highness, The Princess Royal
<b>Vice-Patron</b>	The Right Honorable The Earl of Shaftesbury Nicholas Ashley-Cooper
<b>President</b>	The Most Revd and Rt Hon the Lord Justin Welby, Archbishop of Canterbury
<b>Life President</b>	Sir Ron Hobson KCVO (deceased 22 April 2017)
<b>Senior Vice President</b>	Baroness Valerie Howarth of Breckland OBE

### Vice Presidents

Baron Donald Curry of Kirkharle  
Michael Edgar MA MChir RCS  
Prof Ram Gidoomal CBE  
David Harmer  
Roy McCloughry  
The Rt Hon Lord McColl of Dulwich CBE  
Sarah Omond  
Robert Powell  
Pamela Rhodes  
The Revd Canon Roger Royle  
Revd Michael Shaw  
The Rt Revd and Rt Hon the Lord Williams of Oystermouth

### Trustees

Sally Chivers, Chair of Trustees and Services Subcommittee (appointed 25 July 2018)  
Caroline D Armitage, Chair of Trustees (resigned 25 July 2018)  
David Bentley  
Angus Brown  
Kate Clare, Chair of Safeguarding Board and Vice Chair of Trustees  
Anne-Marie Costigan  
Hannah Foster, Chair of Remuneration Sub-Committee  
Keith Hickey, Honorary Treasurer, Chair of Finance and General Purposes Sub-Committee  
Brian James  
Revd Agnita Oyawale  
Craig Philbrick  
John Robinson CBE, Chair of Audit Committee  
Nicola Tallett

**Senior officers**

Chief Executive – Helen England (appointed 10 May 2018).

Executive Director of Operations – Liz Mell

Executive Director of Public Engagement – Adam Bonner

Executive Director of Resources – Alex Botha (Company Secretary appointed 1 August 2018)

**Principal Solicitors**

Mills & Reeve LLP, 24 Monument Street, London EC3R 8AJ

**Principal Bankers**

Barclays Bank plc, Charities, Housing and Education Team 1 Churchill Place, London E14 5HP

**Auditors**

BDO LLP, 55 Baker Street London W1U 7EU

**Chartered 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**

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[www.livability.org.uk](http://www.livability.org.uk)

It all adds up to

# Livability

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[www.livability.org.uk](http://www.livability.org.uk)   LivabilityUK

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