

Company number: 01653388
Charity Number: 512992

Father Hudson's Society

Report and financial statements
For the year ended 31 March 2019

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Father Hudson's Society

Reference and administrative information

For the year ended 31 March 2019

Company number	01653388
Country of incorporation	United Kingdom
Charity number	512992
Country of registration	England & Wales
Registered office and operational address	St George's House, Gerards Way Coleshill BIRMINGHAM B46 3FG

President Most Rev. Bernard Longley

Father Hudson's Care is a working name of Father Hudson's Society.

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr Kevin Caffrey MBE	Chair	4
Mrs Anne Plummer	Vice Chair	3, 4
Mr Anthony Broom	Retired 18/3/19	1, 4
Mrs Gail Brown		1
Mr Brian Basford		1
Mrs Julia Fitzsimons		2
Rev. Michael Gamble		2
Rev. Kevin Kavanagh		3
Sr. Gillian Murphy	Retired 26/6/18	3
Mr Peter Deeley		1
Mr John Barley		1
Mr Rodney Kane		2, 4
Ms Jessica Moore		2
Ms Fionnuala Hegarty		3
Mr Neil Handel		2
Mr Brendan Clifford		2

1. Member of Finance, Land and Support Services sub-committee
2. Member of Adult Care sub-committee
3. Member of Children and Families sub-committee
4. Member of Monitoring and Review sub-committee

Reference and administrative information

For the year ended 31 March 2019

Key management personnel	Mr Andrew Quinn	Company Secretary/Chief Executive
	Mr Noel Stubbs	Financial Controller
	Mr William Coffin	Fundraising, Communications and Marketing Manager
	Mrs Joanne Walthew	Fostering Service Manager
	Mrs Donna Lewis	Human Resources Manager
	Mrs Joanne Watters	Head of Community Projects
	Mr Edward Brown	Head of Adult Care
Bankers	Lloyds Bank plc 3 Maple Walk Chelmsley Wood B37 5TS	
Solicitors	Gateley Plc One Eleven Edmund Street BIRMINGHAM B3 2HJ	
Investment advisors	Smith & Williamson Investment Management LLP 3 rd Floor, 9 Colmore Row BIRMINGHAM B3 2BJ	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

The Trustees present their report and financial statements for the year ended 31 March 2019. The Reference and Administrative details on pages 1 and 2 form part of this report. The statements appear in the format required by the Statement of Recommended Practice, Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with FRS102. The report and statements also comply with the Companies Act 2006 as Father Hudson's was incorporated by guarantee on 22 July 1982, to continue the work started by Father Hudson at the beginning of the 20th Century. It was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. The trustees' annual report meets the requirements of a directors' report as required by company law. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 14 (2018 – 15).

Review of planned activities and principal achievements for the year

Objectives and activities

Father Hudson's main objectives include: the relief of financial hardship and suffering, relief of sickness and preservation of health, and the advancement and the promotion of the support, relief and care of children and young people without families able to care for them, or who are in trouble or at risk, elderly people and their carers, people with disabilities, and individuals, families, communities and groups who are in need.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The objects are met through a variety of activities which are summarised below. Each activity, the beneficiaries and the public benefit are discussed in greater detail further in the report.

Adult Care

- St Joseph's Home for older people and those with dementia
- St Catherine's Bungalows for adults with multiple disabilities
- St Catherine's Day Services for adults with multiple disabilities
- Domiciliary Care Services and supported living services for adults with learning disabilities

Children and Families

- New Routes – a registered fostering agency
- Family Support projects based in school communities
- Origins – a service to former child residents and adopted adults and birth families (a registered Adoption Support Agency)

Community Projects

Within Father Hudson's Care (FHC)

- Brushstrokes
- Young at Heart project North Staffordshire
- Tabor House
- Fatima House
- Embrace Project , Worcester
- BRAIDS Project , Oxford

Supporting other Charities & projects

- Anawim – a registered charity serving vulnerable women in Birmingham
- Hope Community Project – a registered charity serving the Heath Town area of Wolverhampton
- Maryvale Community Project –a registered charity providing services to older people and adults who have disabilities
- New Heights, Warren Farm project –a registered charity with a community café, debt and money advice, and a community centre in which other agencies provide services to the local community
- Assisting other small projects/charities through financial help and/or management support

Objectives and Strategies

Father Hudson's has a three-tier format for setting its objectives and devising the strategies and activities to meet those objectives:

- A long-term vision document of the future of Father Hudson's "From one millennium to another"
- 3-year development plans, the latest being 2017 to 2020, which are reviewed and updated each year
- Annual budgets

The activities of Father Hudson's are undertaken by dedicated full and part-time staff supported by volunteers who selflessly give their time as committee members, advisors, "panel members", project support and fundraisers. To all the staff and volunteers, the trustees express their deep gratitude and acknowledge the importance of such valuable support.

Adult Care

The Adult Care work of Father Hudson's is focussed on three areas of activity; care for people with complex learning and physical disabilities, care for older people including those with dementia and care for people with moderate learning disabilities. It supports people to lead lives which are fulfilling and meaningful. Last year the Adult Care department had a turnover in excess of £4.3 million. Care is commissioned and funded by local authorities, CCGs or is privately funded in some instances as at St. Joseph's. The work it does is challenging yet rewarding, the needs it meets diverse.

Review of Adult Care services 2018-2019

The Trustees determined that it was necessary to review Adult care services in the light of identified challenges to sustainability in the current external environment, taking into account government policy on the funding of Adult care through Local Authorities and Health, as well as policy changes on models of care and support, and taking into account some local factors. A particular focus on St Joseph's Care home was required; however the Trustees also directed that all FHC services for adults who have disabilities and complex needs would be reviewed. In the absence of a Head of Adult care, who had retired, the CEO was tasked with leading on this through the year. The Trustees themselves dedicated three extra Trustee meetings to this major review. On an operational level the CEO had already worked with the Adult Care subcommittee to ensure a new Registered Manager was appointed, after a lengthy recruitment process. She took up her post in July 2018. Her appointment was closely followed by a CQC inspection. As anticipated, because of the absence of permanent leadership for an extended period of time, St Joseph's received a 'Requires improvement' rating. As part of the process of strengthening the leadership an enhanced Deputy role was also developed and the Registered Manager role was redesigned to be more outward facing, in line with comparable roles in this sector. A lengthy and detailed recruitment process for the new Head of Adult Care was also completed and he started at the end of January 2019.

At a more strategic level the Trustees and CEO commissioned an external consultancy to begin a more detailed review of every aspect of St Joseph's Care Home. This took place immediately following the CQC inspection, although it was in process before this. The Trustees adopted the final report from this external consultancy and immediately commissioned another external consultant to work with the CEO, the RM, the Finance team and HR to deliver the recommendations. This second external consultant was commissioned by the Trustees to consult on and implement the necessary changes, not only in St Joseph's but throughout Adult care in order to ensure consistency of approach with the Adult care staff and taking into account that all Adult care services experience similar challenges in the external political and economic environment.

The determination of the Trustees was to ensure that St Joseph's and the three other Adult care services were in a position to respond to the new challenges before them.

The key recommendations included:

Increasing pay rates for all Adult direct care and support staff, the establishment of a new wing based leadership structure working to the RM and Deputy at St Joseph's, the creation of more opportunities for leadership positions and for career development throughout Adult care services (through the creation of Care leader roles), and changes to the terms and conditions of all Adult direct care and support staff to ensure they were more in line with the sector standards.

All these changes were brought in on 1 April 2019. The external consultant continues to provide support and guidance with regards particularly to negotiating fair fees with Local Authorities and Health in order to ensure high quality care for all residents and clients who use Adult care services. These changes have had an impact upon all Adult care staff, and have been difficult for some individuals. Throughout the process Father Hudson's has sought to ameliorate the impact of the changes to the best of its ability, whilst at the same time ensuring that the services for vulnerable and frail adults would continue and would achieve the quality required and expected.

St. Joseph's

St. Joseph's is a 59 bed care home, caring for older, frail people the majority of whom have varying degrees and types of dementia. The aim of the home is to provide nurturing, stimulating and compassionate care, through a variety of interventions and activities which aim to encourage people to participate in and enjoy fulfilling, worthwhile activities with the friends and companions and their families. St. Joseph's is a home for life and strives to be a place of nurturing, compassion and homeliness.

The home is regulated and inspected by the Care Quality Commission.

St Catherine's Bungalows

16 people live in three bungalows. They each have complex care and support requirements demanding a range of specialist interventions. Those living at the bungalows are encouraged and enabled to join in with as many opportunities as possible. Carers believe strongly, that a person's disability should not prevent them from living a fulfilling life and the staff team have real commitment to the ethos of supporting residents to live life to its fullest. All residents enjoy

annual holidays, short breaks and active social lives. The work of the bungalows is supported by resident's families who are encouraged to take part in all aspects of care planning where possible.

The bungalows are regulated and inspected by the Care Quality Commission

St. Catherine's Day Service

17 people attend the day service on a daily basis. They travel from Warwickshire, Birmingham and Solihull to take part in activities aimed at maximising their potential to join in with daily living tasks, to make new friends and have fun. Access to the wider community provides opportunities for people to develop their skills for independence and enjoy being out and about.

It is a service that also provides valuable and much needed respite on a day to day basis for the families and carers.

The Service has strengthened and developed positive links with some schools for pupils with additional learning needs throughout the year, particularly in the case of Woodlands school. The service will be developing over the next year to offer support to those in transition from children to adult services and to provide activities and programmes that people with a range of disabilities can access through direct or personal payments.

Domiciliary Care/Supported Living

15 tenants are supported by the Society in housing it owns additionally, one client is supported in his own home. The service is commissioned and funded by the Local Authority or CCGs. Care and support is designed to develop the necessary skills to live as independently as possible. Interventions aim to support tenants in their own flats and in accessing community resources. This involves managing significant risks for some individuals in order for them to further their personal ambitions. Independence develops through greater skill levels, risk management and confidence building.

The service is regulated and funded by the Care Quality Commission

The work of the department is built on the dedication, compassion and loyalty of its many carers and managers. The reputation of the Society relies on them and their devotion to the values and vision it holds. Father Hudson's is grateful to its teams of staff who work conscientiously to support the work it does.

Departmental Aims for Adult Care in 2019/20

- To be compliant with Care Quality Commission's Standards
- To comply with Local Authority Contractual Requirements
- To meet budgetary targets and achieve a balanced budget
- To develop services in line with the needs and aspirations of service users

- To reflect the Catholic ethos of the Society
- To research and develop new areas of activity for the department especially through the day service
- To maximise access to the department's services and facilities

Children and Families Services

The Children and families service provides three services: Origins, New Routes Fostering and the Family Support School's project.

The Origins Service (including the Post Adoption Support provides care to adults who were cared for by Father Hudson's in the past (as residents in the children's homes; as adoptees; as birth family members of residents and adoptees); and, in its capacity as a registered Adoption Support Agency, the Origins Service focuses mainly on providing care to families which have adopted through Father Hudson's during the years in which it operated an adoption agency.

The Fostering Service provides placements for children and young people aged between 0 –18 years who are unable to live with their birth families due to a variety of reasons and subsequently are referred to this service by Local Authorities for fostering placements.

The Family Support School Project provides a holistic service to children, the parents and the school in order to improve the child's attendance, educational success and emotional wellbeing. At the end of the year the service was being provided to 25 schools across the Archdiocese reaching out to faith schools and non-faith schools.

New Routes Fostering

New Routes is a small voluntary fostering service which was established in 1992. The fostering service is based in Coleshill and is staffed by a Registered Manager, two team leaders, two full-time social workers and one part-time and two fostering administrators.

The service is registered with and inspected by OFSTED. The last Inspection was undertaken in January 2018 and it was marked as 'Good' in all areas under the new framework.

New Routes provides placements for children and young people assessed by Local Authorities as being in need of care, and unable to live with their birth family.

Some children are now able to remain with their foster carers up until the age of 21 years under 'stay put' arrangements. This is a private arrangement between the foster carer, the former fostered child and the responsible Local Authority. The service will work and support those carers who wish to offer this arrangement. The service has more recently provided placements for unaccompanied asylum seeking young people from many different countries, for example Afghanistan, Eritrea and China.

Looked after children are cared for by foster carers because they cannot live with their family. This may be for a short period (because of e.g. a family crisis); or it may be for a prolonged period until the child reaches adulthood, and in some cases continuing into early adult life. These children and young people will have experienced difficult, damaging and risky parental care before they became 'looked-after'. This may include drug and alcohol misuse, domestic violence, physical sexual and emotional abuse, and chronic neglect. As a consequence, they often present their foster carers with a number of challenges including behavioural difficulties, educational underachievement, and poor physical and mental health. They are amongst the most vulnerable and needy in society.

New Routes operates from the Coleshill Office, and actively recruits foster carers in the Midlands area. The service aims to be responsive to the commissioning requirements of Local Authorities mainly through the West Midlands Regional contract.

The foster carers are trained and supported by the fostering team and provide a positive experience of family life which aims to give the children and young people a stable base from which to re-establish themselves in education, re-build relationships with their family, and develop their sense of self-worth. Foster carers are expected to complete their Training, Support and Development Standards within 12 months of their approval. To date all approved carers have completed these within the timescales. New Routes is committed to providing continuing training and development opportunities, regular support group meetings, out of hours support and individual supervision, support, guidance and one to one training to enable foster carers to provide a high quality standard of care to children and young people who are the ultimate beneficiaries of the service.

The foster carer's skills, experience and ability to meet the specific assessed needs of the child or young person are all considered as part of the matching process. The matching of the carers' skills, knowledge and experience balanced with the needs of the child is vital to minimise the potential of disruptions in the future.

Foster carers receive a carers' fee and a fee to cover the cost of caring for the young person or child. New Routes Fostering charges placing Local Authorities a fee for the service it provides.

Many social events for the foster carers and children take place throughout the year and various creative and educational workshops e.g. Internet safety, Stranger danger and Missing workshops.

We received some funding from the Father Hudson's ball which enabled the service to develop a youth club. This was overseen by staff and operated during the school holidays. Activities included arts and crafts, sports day, cinema, bowling, Bollywood dancing, a jungle challenge, a high wall climb and ice skating. The feedback received from the young people and carers was extremely positive.

The foster carers and children continue to receive a quarterly newsletter which provides useful information and celebrates the achievements of the foster carers and children and young people.

The key objectives for the Fostering Service:

1 To recruit, assess and approve foster families. New Routes Fostering offers a high quality service through the level of support and training provided to the foster carers. It is a small service provider and ensures that foster carers feel connected to and properly involved in the service. Staff are approachable and readily available to support foster carers. There are nineteen approved foster carers in the service. Three new families were approved during the year 2018–19.

2 To provide well matched placements. The service currently has 20 children and young people placed with our carers, ranging in age from 6 to 17 years. Of the 18 children placed we have 3 sibling groups consisting of 7 children and 11 single placements.

New Routes continue to seek the views of the children and young people entrusted to our care throughout the time they are with us to enable us to review and reflect on their feedback in order to shape the development of the service. For example, a Young People's Panel has been set up and is fully operational to interview potential applicants. This includes an adult birth child and four young people who are fostered. The aim is to provide a greater voice for the children and young people who use our service and for them to share their views of how potential foster carers can help children and young people to reach their full potential and how they can work with children and young people in a positive way. Secondly the young people gain new skills in interviewing which they can use in the future and furthermore improve their self-esteem and confidence.

3 To provide support to foster carers and children and young people. During the year 2018 – 2019, the service has supported foster carers through the allocation of a qualified social worker to each foster carer, who then provides regular contact through visits and telephone support, out of hours support; the duty system training; support groups; paid respite; and the pairing of newly approved foster carers, with experienced carers. Social workers can also offer individual work to young people (on self-esteem; managing contact etc.) and the team produces a regular newsletter, offers social events and creative workshops.

4 To monitor the progress of each child placed to ensure they are supported, guided and encouraged to reach their full potential in all areas of their life.

Developments of the Fostering service

New Routes was inspected by OFSTED in January 2018, and was assessed to be 'good' in all areas under the new revised inspection framework that came into effect on the 1st April 2017.

New Routes continues to review, amend and implement changes or developments arising as and when changes are made to the Fostering Service Regulations, National Minimum Standards 2011 and Safeguarding and Child protection legislation.

New Routes panel membership is reviewed regularly and we currently have thirteen members on the 'central list' The breadth of experience and knowledge includes: foster carers, adopters, social worker experienced in child care and fostering, teachers (retired and practising), teachers with special educational need expertise, and a medical advisor. Legal advice is also accessed.

The Fostering Panel has provided invaluable feedback to develop the service further for example improving the responses of the children placed through the support of their social workers to ensure the 'voice of the child' is heard. The Panel Chair is also involved in a forum which enables good practice to be discussed and shared with our agency in order to improve our services further. During the inspection in January 2018, the Inspector had the opportunity to observe panel and highlighted panel as a real strength.

New Routes is committed to the review and evaluation of our service by consulting the foster carers, staff and children and young people. A staff evaluation and development day is held annually. Children and young people are also consulted to determine the type of activities we offer and how we can improve our services in general.

New Routes Service is a preferred provider of fostering services for the 'West Midlands regional framework contract' which currently includes Birmingham City Council (which has moved to a children's trust as of 01.04.18) and other Local Authorities in the West Midlands.

New Routes continues to be registered as a service provider on the West Midlands portal, which aims to identify potential placements for children and young people in need.

New Routes website (www.foster-carers.org.uk) is a necessary recruitment tool. We continue to utilise our social media links (Facebook, twitter and blog) to raise the profile of the service.

New Routes has a secure data-base which increases efficiency of administrative function, statistics collation, and communication (with Local Authority commissioners and social workers; and between the staff members).

Plans for the Fostering service for 2019 – 2020

- New Routes will continue to work to its core objectives of placing children and young people with families.
- New Routes is committed to the protection and safeguarding of all children who receive the service.
- New Routes will work to recruit, assess and retain a range of foster carers suitable to care for the range of children and young people in need.

- New Routes will comply with current legislation, regulations and practice guidance, and ensure regular review of practice, policy and procedures.
- New Routes will continually review service provision to maintain high quality and cost efficient services.
- New Routes will continue to work within agreed financial parameters.
- New Routes will ensure staff, and foster carers are offered training opportunities and support, in line with service development requirements.
- New Routes will continue to work in partnership with foster carers to ensure compliance with the training standards.
- New Routes will work in partnership with Local Authorities to ensure that service provision meets the needs of looked after children.
- New Routes is committed to quality assurance and ensuring the consultation and participation of children and young people, foster carers, staff and stakeholders as and when required.
- New Routes will develop workshop opportunities for the children and young people looking at matters which impact on them.
- New Routes will continue to recognise the achievements of the children and young people and foster carers.

Origins (Support after adoption and support after care)

The Origins service provides support after adoption and support after care for those affected by a childhood separation from their family of origin. The separation may have been through adoption or through being in care.

Father Hudson's Care recognises the lifelong impact of being separated from one's family of origin, both for the person concerned and for their relatives. It has a long tradition of childcare and preserves over 40,000 records on children going back to 1902. It believes in the value of treasuring personal histories and understands how looking back into one's past can enhance one's personal identity. It focuses on assisting adults to understand their childhood experiences, and the decisions made for them, and to gain knowledge of their origins. Reconnecting people separated from their family of origin can bring healing and can help people in moving forward. Although Father Hudson's no longer provides residential care for children or arranges adoptions, it remains committed to providing quality services for those with a childhood connection to Father Hudson's.

A fee structure (applicable to some areas of service provision and compliant with regulatory requirements) was implemented with effect from 1 April 2011. This is kept under review. Service users may, in addition, also choose to make a donation.

Origins, in its "support after adoption" services, recognises there can be a lifelong impact for all those connected to an adoption. Adoption laws have changed over the years to reflect the needs of various people connected to adoption. These laws enable them to apply to be put in touch with

the relative separated by adoption. After Father Hudson's ceased involvement in 2009 in arranging adoptions, it registered as an Adoption Support Agency in order to continue to work with adults affected by adoption. Therefore, the quality of the work is regularly inspected by Ofsted, who have consistently judged the quality of the adoption support agency to be "outstanding", the highest rating. Through Ofsted inspections, the quality of the "Origins" post adoption work is measured against National Standards.

Support to Father Hudson's adoptive families with adopted children still under 18 is provided under a service level agreement, by another adoption agency that specialises in working with children in adoptive families. This is called Adoption Focus, which formed when Father Hudson's ceased involvement in new adoptions.

The following services are provided for adults:

- Information from the adoption records can be provided to all adults whose adoption was arranged by Father Hudson's. A portfolio is provided of information from the records which is shared by a social worker experienced in adoption.
- Intermediary (tracing & making contact) services provided by the agency are not restricted to adults connected to adoptions arranged by Father Hudson's. Birth relatives as well as adopted adults and their descendants or other relatives can apply for intermediary services under the law in England & Wales.
- If the agency did not arrange the adoption the agency has to try and identify any agency that may still have records of the adoption. However, even if no records are located, relatives can still be successfully traced. Due to the additional work involved in such cases a higher fee is charged.
- Once a relative is traced and contacted advice and support is offered to both parties, as contact is established and progresses.

Origins, in its support after care services understands the importance of being able to find out information about one's origins and about the period of time spent in care, so it provides an Origins Service to those who previously stayed in the various Catholic homes it was connected with, including those connected to former child migration schemes. It also recognises the importance of people's family history and so it can also help with providing family history information from the childcare records when the person formerly in care is deceased.

Sometimes, those formerly in the homes connected with Father Hudson's wish to visit where their former home was, and so those who would like to arrange a visit to our Coleshill base are welcomed. Assistance can also be given in tracing relatives and reconnecting with family members.

The key objectives for Origins

The key objectives for the service are:

1. As an Adoption Support Agency, to provide birth records counselling and access to information from adoption records for adults whose adoptions were arranged by Father

Hudson's. Also to provide intermediary services for anyone connected with an adoption who is legally entitled to such a service. In the last year there were a total of 146 new referrals to this service, in addition to ongoing work from the previous year. Of the new referrals, 95 were made by the adopted person, 13 were made by the adopted person's immediate family and 38 were made by birth relatives of the adopted person. Ofsted has rated the adoption support agency as outstanding in its last inspection.

2. To commission the provision of post adoption support to families and young people where the adopted person is under 18 and whose adopted family adopted through Father Hudson's prior to 2009. In the last year support was provided to one adoptive family. The service level agreement between both agencies is reviewed annually and Ofsted regulates the agency providing the service, which has also been rated outstanding in its last inspection.
3. To provide services mainly in relation to accessing information from our records of those formerly in children's homes connected to Father Hudson's or those whose migration records we held. In the last year there were a total of 94 new referrals to this service. Of the new referrals, 34 were made by those formerly in the children's homes, 57 made by relatives and 3 made by others.
4. Other achievements during the past year include:
 - Origins was represented at various national and local forums during the year, such as the
 - Consortium of Adoption Support Agencies (CASA) and
 - Midlands Regional Professional Forum on Birth records counselling.

Plans for Origins in 2019–2020

- The Origins Service will continue to offer a professional service for adults previously in Father Hudson's Children's Homes, and for adults adopted via Father Hudson's Society, their birth families and immediate families.
- The Origins Service will continue to be extended to people without a former connection with Father Hudson's Society, in line with the service's expertise and regulatory remit, and subject to the fee structure.
- The Origins Service will regularly review the Service Level Agreement with Adoption Focus to ensure the continued and appropriate provision of services aimed to support adoptive families with children under the age of 18 years, in cases where Father Hudson's adoption agency had approved and supported the adopters, and Local Authorities arranged the placements.
- The Origins Service will comply with current legislation, regulations and practice guidance, and ensure that amendments and new guidelines are incorporated into practice, policy and procedures.

- The Origins Service will continue to work within agreed financial parameters.
- The Origins Service will continue to monitor and evaluate the service to ensure quality standards are maintained.
- The Origins Service will ensure members of staff are offered training opportunities and support, in line with Service development requirements.
- The Origins Service will continue to co-operate fully with any safeguarding matters whether recent or non-recent.

Schools Family Support Project

Schools family support service was set up in 2006 to provide early intervention and prevention support to vulnerable children and their families. The service is embedded primarily in Catholic schools in Birmingham, Newcastle-under-Lyme, Stoke, Stafford and Banbury. The benefits to schools are enormous and the service addresses wide ranging concerns faced by children such as: challenging behaviour, poor attendance, self-harm, parental neglect and abuse, domestic violence, parental separation, poverty and poor parental health. Schools recognise the importance of addressing such negative factors as they impact on children's emotional well-being and their educational attainment.

The team consists of a full time project manager, senior family support worker, Data and Monitoring officer and family support workers. Family support is delivered in 24 primary and secondary schools. The schools involved have expressed a high satisfaction of the service and we hope to renew contracts in Birmingham, North Staffordshire and Banbury from September 2019.

Intervention and Support Needs April 2018 –March 2019

- 284 children and families supported through casework, with 11 of these children/young people being closed and re-referred within the school year
- We worked with 79 complex cases that required the support from a team of professionals. This is an increase of 20 cases from last year. These include: 43 Early Help, 17 Children in Need, 13 Child Protection, 2 Looked after Children, 61 children from 57 families were experiencing parental separation.
- 118 children (42%) needed support to manage behaviour
- 97 (34%) had difficulty with child-parent relationship
- 59 families were currently experiencing domestic abuse or had experienced it in the past
- 69 parents had depression or another mental health concern

- Child anxiety = 119 children (42%), attachment 47 children (17%), low self esteem 101 children (36%)

Group work delivered over the year by the team

- 4 Super Skills programmes to address anxiety were attended by 28 children.
- 22 parents attended parenting courses.
- 5 Bullying groups were run and 50 children attended.
- 2 transition groups had 16 children completing.
- Drop in support for families included Stay and Play, addressing practical issues e.g. breakfast, washing and SEN support.
- Social skills and friendships groups were attended by 48 children.

Service satisfaction questionnaire

97% of responses rated the service as good or very good. The response rate was 52%, that is 77 responses out of 149 closed cases. The evaluation from group work was very positive, demonstrating increased confidence and problem solving abilities.

Outcomes Stars: an evaluation monitoring outcomes based tool

29 'My Stars' for primary aged children were completed, allowing a comparison between first and last Star. The areas of greatest positive change were reported in: being safe, feelings and behaviour, friendships, confidence and self-esteem and education and learning. The area of least change was relationships. For 8 teenagers the top two areas of need identified were 'wellbeing' and 'structure and education'. All young people who identified a need against 'safety and security', 'structure and education' and 'family/adults' made positive progress in these areas

Report on the plans for the Schools Family Support service in 2018 –2019

1. Promote the service and increase the number of schools contracts

Through the support of the Birmingham Diocesan Education Service, we were invited to present at the Head teacher's briefings in July 2018 and January 2019. We did secure a contract with a primary Catholic school in this year. The schools we work in have helped to promote family support to other schools. Although this resulted in discussions with schools who indicated interest, it did not lead to new contracts.

2. Ensure that the service is GDPR compliant

A great deal of work has been undertaken to ensure that the service is meeting GDPR compliance. A detailed review with the staff team was undertaken to explore implications of GDPR and policy and procedural changes. The review enabled staff to gain a thorough understanding of changes to their practice and these are now being embedded successfully. Significant area of changes included: record keeping, retention periods of records, confidentiality and sharing information, seeking consent from service users.

3. Improve knowledge, skills and practice through staff training

All staff had an update of Safeguarding and Child Protection training. other training undertaken by individual staff included: solution focused practice, Super Skills for Life, understanding emotional wellbeing and mental health and parent's health and well-being training.

4. Increase the completion of feedback forms to evidence user satisfaction

There was a 67% increase in the completion of feedback forms from parents and children. The family support workers have looked at encouraging user feedback and are making a concerted effort to ask service users to complete these on the final sessions.

5. Work with Fundraising team to secure funding to meet full cost recovery

Close working with the fundraising team has been in progress. This resulted in making a number of charity applications including one to the National Lottery. The latter was not successful but we remain positive and are exploring other funding sources.

Objectives for 2019 –2020

1. Promote the service and increase school contracts.
2. Work with the fundraising team to secure funding for core costs.
3. Improve knowledge and skills for best practice.
4. Increase the completion of outcomes stars to evidence impact.
5. Explore use of digital technology for feedback.

Father Hudson's Care – Community Projects

Father Hudson's Care works in collaboration with partners and local communities to reach out and support those in need. Each partnership community project has its own local focus, identity and governance structure. Volunteers are at the heart of service delivery, with a majority of projects also having a core staff team. With major growth in the number of community projects over the last 3 years, the current strategy is to ensure projects continually adjust and develop in response to an increase in demand for services, whilst recognising the reduction in funding opportunities in an increasingly competitive funding environment. During 2018/19, eight community projects were delivered as part of the Father Hudson's Care charity, with 23 staff and 270 volunteers reaching out and supporting 1879 individuals in need. In addition, during this period we have supported seven local small charities/community projects including in the areas of employment and HR, management, governance, funding, finance and policy, employing 19 members of staff on behalf of these charities.

Reaching out to REFUGEES, ASYLUM SEEKERS AND MIGRANTS

During 2018/19 we have supported 1,661 refugees, asylum seekers and migrants through our partnership community projects delivered as part of the Father Hudson's Care charity. We promote the ethos of 'Welcome the Stranger', helping those in crisis as well as supporting for the long-term. This area of our work has grown over the last few years as we have responded to the increasing numbers of people in destitution.

Our largest community project is **Brushstrokes**. Delivered as part of the Father Hudson's Care charity, the project is a partnership with the Infant Jesus Sisters, the parish of St Philip Neri and the Sisters of Our Lady of Charity of the Good Shepherd. Based in Smethwick and covering Sandwell, West Birmingham and surrounds, the project provides holistic support to refugees, asylum seekers and migrants through advice and outreach including immigration, welfare and housing; provision of practical resources including food and clothes; education and employment support including accredited English and job clubs; community activities including a community café and social groups. We are the leading organisation in the local area providing this specialist and holistic support.

With 12 staff and 59 volunteers supporting 1,649 people, during 2018/19 the Brushstrokes Community Project has: started the process of securing a new lease for larger premises; secured NHS funding to deliver additional IELTS for migrant health professionals; increased advice services through additional funding including OISC accredited immigration; delivered a new Asylum Early Action project as part of a wider national Refugee Action project; built on relationships with new EU community organisations in the delivery of housing advice, Brexit workshops and secured 2019/20 funding to support vulnerable EU migrants to apply for settled status; and sustained and developed strategic network engagement to influence social policy including the Local Authority, regional migration partnership, Home Office and DWP.

During 2019/20 we will continue existing services at Brushstrokes as well as prioritising; securing and moving into new larger premises; delivering a number of new projects where funding has already been secured including support from single asylum seekers in houses of multiple occupancy, a Settling Well advice project with Citizens Advice, an EU Settlement support project for vulnerable migrants, health screening, and additional immigration advice and casework; working in partnership with local, regional and national organisations and seeking to influence funding for migration related projects.

Our **Newcomers Development Officer** has delivered talks and workshops on refugees, asylum seekers and migrants to 13 schools and 28 parishes across the Archdiocese of Birmingham during 2018/19, helping to initiate new social action to welcome newcomers. We continue to be the lead organisation for **BRAID**, a congregation in Blackfriars, Oxford who have welcomed a Syrian refugee family through the community sponsorship programme. These areas of work will continue during 2019/20.

In September 2018 we opened our new 3 bedroomed accommodation project, **Sophia House** in South Birmingham, as part of the Father Hudson's Care charity, in partnership with the Sisters of Our Lady of Charity of the Good Shepherd and St Brigid's Parish. Two single female refugees and one female refugee with her baby have been housed by the project so far, which provides safe and supportive accommodation for women who either have newly acquired refugee status or whom are more vulnerable. Priorities for 2019/20 include increasing the number of referrals and the team of volunteers.

Operating as part of the Father Hudson's Care charity, **Fatima House** in central Birmingham is a collaborative project with the Columban Missionaries, a local parish, Caritas Archdiocese of Birmingham, The St Vincent de Paul Society and the Archdiocese of Birmingham. The project provides short-term accommodation to up to 9 female asylum seekers who are destitute. During 2018/19 Fatima House supported 9 women with a safe place to stay, a small destitution fund, day to day support from the Columban Missionaries and access to counselling. Priorities for 2019/20 include securing funding to continue the destitution support fund (currently provided by the SVP), securing funding for continued counselling support and reviewing the needs for additional on-site services and support.

In addition to supporting refugees, asylum seekers and migrants through community projects operating as part of Father Hudson's Care, we also provide HR, management and governance support to the independent charities **St Chad's Sanctuary**, Birmingham and **Hope Community Project**, Wolverhampton who also provide services for these groups.

Reaching out to OLDER PEOPLE

During 2018/19 we have supported 190 isolated older people through our partnership community projects delivered as part of the Father Hudson's Care charity. Our largest community project specialising in supporting older people is **Young at Heart** in North Staffordshire. Young at Heart reaches out to isolated older people providing lunch groups, friendship groups, home visiting

befriending, volunteer-led gardening and a specialist project targeting older men. The project is working in partnership with Methodist Homes Association and three local parishes.

During 2018/19 Young at Heart has set up 2 new lunch groups, supported 29 new volunteers and provided services to 90 new beneficiaries. Good progress is being made on the Lottery project and we held an annual Volunteer celebration event in March 2019 to thank over 80 volunteers. The project has received funding to employ a part-time Men's Outreach Worker who started in role in January 2019.

Priorities for 2019/20 include: setting up 4 new groups, supporting 40 new volunteers and providing social group activities and befriending to 110 new beneficiaries. We also plan to re-establish a gardening project enabling volunteers to maintain the gardens for those who are the most isolated.

Our **Embrace** project in Worcester has supported parishes and local individuals to take their own social action and support older people in their communities. This 2 year project was completed in March 2019 and Father Hudson's Care successfully supported 40 parishioners to volunteer and reach out to over 200 beneficiaries over this period. The worker worked alongside Priests, Deacons and parishioners to set up a friendship group, a Penpal scheme for local primary schools and care homes, a walking group and local community events. Father Hudson's Care made a key contribution to the writing of a national toolkit expected to be disseminated later in 2019 to share some of the key learning points from the project.

In addition to supporting older people through community projects operating as part of Father Hudson's Care, we also provide HR, management and governance support to the independent charities **Maryvale Community Project**, Birmingham and **Hope Community Project**, Wolverhampton who also provide services for older people.

Reaching out to people experiencing HOMELESSNESS

Four of our partnership community projects, delivered under Father Hudson's Care, reach out to those who are destitute and experiencing homelessness. Tabor House, Fatima house and Sophia house all provide accommodation directly to vulnerable individuals who would have otherwise been homeless; we have supported a total of 40 individuals during 2018/19 in this way. In addition our Brushstrokes project provides food and clothes to those who are destitute, as well as providing housing and welfare advice and casework to those who are homeless or at risk of homelessness.

Tabor House, Birmingham's permanent night shelter for people experiencing homelessness, operates under the Father Hudson's Care charity as a partnership project on behalf of the iShelter management committee. The project provides short-term shelter, safety and personalised support to people experiencing homelessness with the goal of working with them so they can move towards independent living.

In 2018/19 Tabor House increased its bed capacity to 11, providing short-term shelter to 28 people experiencing homelessness over this period. 9 of these 28 have moved on to independent living and employment. The project has continued to champion a personalised service responding effectively to the individual needs of each guest. The staff team have been consolidating the procedures and practices of the project and now have an active volunteer team of over 100 individuals.

In 2019/20 the project aims to welcome more than 40 guests to benefit from staying at Tabor House. We aspire to enable at least a third of these 40 to move on to their own independent accommodation. The project will continue to attract new volunteers to the project, especially for the shifts what could benefit having more volunteers. The project intends to continue to attract funding from both charitable trusts and individual donations. Specifically, the project is planning fundraising activities including a Christmas carol service and a Tabor House calendar. In regards to quality assurance, we plan to research and to be part of an accreditation scheme to demonstrate the quality of the service.

In addition, **St Chad's Sanctuary**, Birmingham, whom we provide HR, management and governance support provides food, clothes and other items to those who are destitute and homeless targeting asylum seekers.

Reaching out to WOMEN

A number of Father Hudson's Care community projects provide services and accommodation specifically targeted at women. This includes Fatima House (accommodation for destitute female asylum seekers) and Sophia House (accommodation for vulnerable female refugees).

Father Hudson's Care provides governance and HR support to the independent charity **Anawim**, Birmingham. This innovative charity providing positive choices for women who have experienced the criminal justice system. Father Hudson's Care provided governance, HR and payroll support to the independent charity Anawim, Birmingham during this financial year. This charity provides positive choices for women who are involved in the criminal justice system. Father Hudson's CEO chaired the Anawim Board and the Finance subcommittee; Father Hudson's HR manager is an adviser to the Board and she and her team provide a HR service to Anawim. As part of his chairing role the CEO has met with a number of potential new Trustees, as Anawim has sought to diversify its Board membership. During the year another member of the Board took on the chairing of the Finance subcommittee. The HR service required has grown massively over recent years and particularly during this year. Working with the Anawim Board and senior management a plan was put in place to enable Anawim to become more independent as a charity. It has been able to develop its support infrastructure and to take on some HR responsibilities due to begin in April 2019. During 2019 –2020 a more detailed HR transition plan will be prepared as part of this movement towards greater independence. As part of this process Anawim has also employed its own Finance officer who in April 2019 is due to take over the payroll function. Father Hudson's remains committed to its support for Anawim and envisages that the coming financial year will require substantial HR and governance support.

Support for other groups and charities

Father Hudson's Care provides support to other groups and charities in the Diocese, putting the Catholic Social Teaching principle of subsidiarity into practice.

We work with the following independent charities, carrying out their employment and HR functions, and providing general support and guidance in key areas including governance, management, policies and procedures, training, finance and funding:

- **Hope Community Project**, Wolverhampton. A partnership with the Infant Jesus Sisters for over 30 years, the project aims to seek out, reach and support the most isolated, vulnerable and disadvantaged people in the community with services including 1-1, group and residential work with young people; a lunch club and befriending group for older people; English for Speakers of Other Languages and community cohesion activities. During 18/19 Father Hudson's Care have supported the project to recruit 2 new members of staff and to induct the new Project Manager.
- **Maryvale Community Project**, Kingstanding, Birmingham is a parish partnership project which aims to build community cohesion and overcome barriers caused by poverty, ageing and disability. The project delivers services for the elderly through a weekly lunch club, outreach and telephone befriending, and runs a social group for adults with learning disabilities. During 18/19 Father Hudson's Care have supporting the project in applying for charitable trust and grants and with migrating to a new finance database and auditor.
- **New Heights Warren Farm Community Project**, Kingstanding, Birmingham is a parish partnership project delivering a number of services including coordinating local community activities and groups through the St John's Community Centre; domestic abuse counselling; BREATHE Advice Service; older people's befriending; and a busy community café. As a growing independent charity with increasing financial stability and services, from 1st January 2019 the project now carry out their own HR and management functions. We are proud of the role of Father Hudson's Care in supporting this small charity to become established and grow, supporting them over many years to enable the charity to take this next step in their development.
- **St Chad's Sanctuary**, Birmingham is a partnership with the infant Jesus Sisters, the Salvation Army and the Archdiocese of Birmingham. Father Hudson's Care have previously supported this charity, from December 2018 we have increased this support to include HR, employment and management support. We now employ two staff on behalf of the charity and have focused on providing governance support.

We also provide HR, payroll and governance support to the charity **Anawim** in Birmingham, governance support to the **Heart of Tamworth** charity and are part of the committee for the parish project **North Staffs Linkline**.

Father Hudson's Care are active management committee members of **Caritas Archdiocese of Birmingham** and carry out the administration and marketing functions for this network.

Fundraising, Communications and Marketing

Total voluntary income was £770,167 (2017-18: £899,785). Most voluntary income comes from five sources: individuals, companies, parishes, Catholic schools and trusts.

Individuals

Legacies make up a substantial proportion of Father Hudson's voluntary income. Legacies are hard to predict, but not accidental, being the result of good service and positive publicity.

The response to the quarterly appeal mailings was positive, with the pre-Christmas mailing raising the most. Gift Aid receipts were up on last year, thanks to a concerted campaign to collect declarations from individuals. Income from regular givers increased 15%.

Events

We worked with Fr Michael White and Swinnerton Cycles to raise funds for Tabor House through 'Chase the Cake', a sponsored walk and bike ride through Cannock Chase in October. Two supporters ran the London Marathon for Father Hudson's, and a third ran the Birmingham 10k.

The 115th Annual Father Hudson's Ball took place in January at the National Conference Centre in Solihull. We worked with the Ball Committee to sell tickets, find raffle prizes, secure corporate sponsorship and publicise the event. The Ball was a success, with the proceeds going to support Family Support in Schools and community fundraising.

Companies

Many companies support Father Hudson's Care through the volunteer-run Annual Ball. This year we received donations from seven companies, supporting New Routes Fostering, Tabor House, St Joseph's Home and our work more broadly. We were pleased to be nominated Charity of the Year by the President of the Birmingham Insurance Institute.

Parishes

Parish collections and events are an important source of our voluntary income. The proceeds from the annual collection in September were up on last year, and we were pleased to receive strong support from parishes holding events in support of Tabor House and our refugee projects in particular, as well as the charity in general.

Catholic Schools

We held seven Good Shepherd Masses for schools in churches around the Archdiocese during the summer term, attracting around 2,500 pupils and students. We are grateful to teachers, parish volunteers and priests for making this possible, and particularly indebted to the principal celebrants: Archbishop Bernard Longley, Bishop Robert Byrne, Bishop William Kenney and Monsignor Mark Crisp. Our School and Parish Engagement Officers delivered 77 school assemblies during Lent 2019, talking about Father Hudson's work in general with a particular focus on disability.

Primary schools engaged well with our new materials based on the Jesuit pupil profile, while senior schools had the opportunity to study relational poverty through our Walk a Mile in their Shoes pack. Income from schools amounted to £73,084.

Trust and statutory fundraising

Working with colleagues across the charity, we achieved significant successes in trust and statutory fundraising during 2018–19, receiving grants from 27 funders. The projects receiving the largest sums were Young at Heart, Newcomer Welcoming, Brushstrokes, Tabor House and Fatima House.

Regulation and complaints

Father Hudson's Care is registered with the Fundraising Regulator, follows the Regulator's Code of Fundraising Practice and abides by its Fundraising Promise. Father Hudson's Care received no complaints about its fundraising practice during 2018–19, either internally or through the Regulator. Additionally, three members of the Fundraising, Communications and Marketing Team are members of the Institute of Fundraising. When we ask individuals for donations, we do so gently by letter. Supporters have the option to request no further mailings and we abide by such requests immediately.

Communications and Marketing work

The team worked closely with others to market Father Hudson's services. This included multiple newspaper articles, advertising, newsletters and work online. The team's publicity contributed toward a successful fête in July 2018.

We managed to reach out to more people through Father Hudson's social media accounts in 2018–19. Over the year, the combined followers of our Twitter, Facebook and LinkedIn accounts increased by 26%.

Financial review

Financial Results for the year are shown in the Statement of Financial Activities (SoFA).

The SOFA shows that a high proportion of the Society's income is in the form of fees towards the cost of services. Such fees are charged for provision of residential and day care, and fostering services. They are paid by local and health authorities and in the case of residential care may be partially or fully paid by private individuals. The fees received for such services do not cover the full cost of provision of the services. The shortfall is met from voluntary income and reserves.

Projects (Origins service and Community based projects) which attract no fee income are supported from the Society's fundraising efforts and investment income.

Staff costs are by far the biggest item of expenditure for the Society. Father Hudson's strives to give residents, clients and service users the highest standard of service and care and relies on the hard work and dedication of its staff for that. It operates in a very competitive environment for

staff and therefore offers staff competitive rates of pay and fair leave and sickness benefits. Father Hudson's also offers all staff membership of a pension scheme. All staff undergo a formal induction programme, have regular supervision and staff meetings, and receive staff newsletters.

Inflation is an issue for Father Hudson's with major costs on gas, electricity, water and food continuing to increase. Local Authorities which are under financial constraints are not generally offering increases in fees in line with headline inflation, and certainly not in line with the specific inflation incurred with social care projects. Whilst Father Hudson's has made some considerable progress in reducing operating deficits, the present economic climate makes further progress difficult without impacting quality of service which is not acceptable to Father Hudson's.

Father Hudson's has centralised administration functions covering accounting and cash and investments, personnel management, fundraising and estates management.

The SOFA shows a net decrease in funds of £477,346 before net gains on investments and investment properties of £182,454. The Society's quoted investments are shown at their market value on 31 March 2019 and are held for the long term to generate income to support the mission of the Society and it is not the intention of Father Hudson's to liquidate them to any significant extent in the short term. Note 20 gives full details of the movements in the assets and liabilities of the Society's pension scheme, in accordance with the disclosure requirements of FRS102. The nature of the assets held by the scheme and the liabilities of the scheme can lead to volatile results. The Scheme closed to future accrual on 31 July 2017.

Land and buildings held as current assets in the balance sheet reflects the carrying value (cost less accumulated depreciation) of St Andrew's House in Coleshill. The directors are of the opinion that the fair value of this Grade II listed property is substantially in excess of the carrying value of £24,658. However, it is not possible to deduce the excess until the sale of the property is completed. The property has been offered to the market with its current planning permission since November 2018 with "offers invited".

F.H.S. Projects Ltd, a wholly owned subsidiary company, formed to undertake building development and trading activities, was dormant throughout the year. It has no employees and the directors receive no remuneration. Its existence continues to be kept under review.

Reserves and Reserves Policy

The trustees of Father Hudson's have established a reserves policy which reflects the long term nature of much of the work of the Society. Father Hudson's provides residential care to vulnerable adults, most of whom would expect to stay in the Society's care for the rest of their lives. Additionally Father Hudson's has a long history of residential care to children and young adults, and of adoption services. This history carries with it an obligation, both legal and moral, to assist those who were in our care, or were adopted, their birth families and adopters to explore their past, learn reasons why decisions were made and increasingly bring parted relatives together. Adoption records must now be kept for a minimum of 100 years and there is an obligation on

Father Hudson's to offer a post adoption service to those involved in the adoption process throughout their lives.

The reserves of Father Hudson's are made up of five types of funds:

- Expendable endowment funds.
- Restricted Funds.
- Designated Funds.
- Free reserves.
- Pension Reserve/(Deficit)

The total reserves at 31 March 2019 were £9,397,274, of which £1,519,120 were restricted and not available for general purposes and £2,474,625 were designated.

Expendable Endowment

Expendable endowment funds comprise the value of lands in Birmingham and Coleshill purchased by Father Hudson for the charitable objects of the Society. When such lands are disposed of, the net proceeds are also held in expendable endowment. Expendable endowment funds are held as capital funds but may be expended at the discretion of the trustees. The income from the endowments is used to support and develop the activities of the Society.

Restricted Funds

Restricted funds comprise grants or donations made to Father Hudson's for specific purposes. Such funds usually have to be accounted for in detail to the funder and are not available to be spent on anything other than the donor's intention. Restricted funds include donations towards the capital cost of certain assets purchased by the Society. Such funds are transferred to free funds at the same rate as the depreciation on the associated asset.

Designated Funds

Designated funds are funds set aside by the trustees for specific purposes, or because such funds are unrealised or not capable of being realised in the short term. The property fund is the capital value of property and fixtures held for charitable use by Father Hudson's outside of the endowment fund, and as such is not available for general use. The fair value reserve represents the unrealised revaluation gains on the Society's investments, and being unrealised is unavailable for general use.

Free Reserves

Free Reserves are those funds available to meet the day to day needs of the Society's work. The trustees have decided that given the long-term commitments in the Society's work, the fragility of external funding for some of its projects and the uncertainty of voluntary income and legacies, free reserves should be held for not less than 3 and not more than 6 months expenditure. At the

balance sheet date free reserves amounted to £613,050, equivalent to 1.1 months unrestricted expenditure. However unencumbered reserves, for this purpose defined as the sum of the expendable endowment and free reserves amount to £6,411,041 which equates to 12 months unrestricted expenditure.

Pension Reserve

The pension reserve/(deficit) represents the surplus/(shortfall) in funding of the Society's Pension Scheme as calculated annually by the scheme actuary in line with the requirements of Reporting Standard FRS102. The valuation is a snapshot on a particular day and can vary significantly from year to year, and is sensitive to relatively small changes in interest and discount rates.

Investments

Father Hudson's has an investment portfolio, the income from which is used to support the work and the administration of the Society. The fund is invested in quoted shares, fixed interest gilts and bonds rated A or higher, property funds and cash. The investment objectives are for a secure level of income together with some capital appreciation in order to maintain the real value of the fund. Smith Williamson Investment Management LLP manage the portfolio on a discretionary basis. The trustees have developed a social, environmental and ethical policy for the portfolio. Any investments which do not comply with the policy are divested as market conditions allow. The portfolio is held for the long term, and the trustees believe that the structure of the portfolio is broadly in balance with its objectives for the long term.

The investment managers use the MSCI WMA Balanced Index as a guideline against which to assess the performance of the portfolio although they are not required to rigidly adhere to the Index. During the year ended 31 March the portfolio total return was 7.66% and the Index total return was 6.73%. The trustees consider the performance achieved to be satisfactory.

Objectives 2019/120

- To work with investment managers to minimise the capital risk within the investment portfolio, whilst maximising the income potential.
- To continue the review of internal controls and governance to ensure application of best practice.
- To review the cost base of Father Hudson's to ensure optimum efficiency in the use of Society funds.

Structure, Governance and Management

Constitution & Governing Document

Father Hudson's is a charitable company limited by guarantee, incorporated on 22 July 1982 and registered as a charity on 15 September 1982, to continue the work started by Father Hudson at the beginning of the 20th Century. It was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 14 (2018 – 15).

Recruitment, Appointment and Training of Trustees

Nominations for trustees have been made by existing trustees and other supporters of the Society. Father Hudson's has also successfully advertised for trustees to replace retiring trustees. Appointments are made by the board with the approval of the President in line with identified skills gaps in the existing board or through retirement. New trustees undergo a formal induction, managed by the Chief Executive, into their responsibilities, the varied activities and the ethos of the Society. Professional advice is made available to the trustees at all times and appropriate trustee training is provided.

Organisational Structure

The board of trustees has established sub-committees to examine areas of work in more detail and to advise the executive and report to the full board. Occasionally the board delegates specific issues and decisions to sub-committees when deemed appropriate. The board of trustees sets the strategic direction of Father Hudson's and approves annual budgets. Implementation and day to day management is delegated to the Chief Executive and through him to the senior management team. The board constantly reviews its governance structure to ensure that it complies with best practice and is committed to achieving compliance with the Good Governance Code.

Employee Involvement and Employing People with Disabilities

We are committed to transparency in our work and to include employees in our decision. We communicate with employees through day to day line management and supervision meetings and away days. We also communicate regularly via internal publications including our monthly "Hudson Headliner" and by email.

The charity will not discriminate against a person with a disability for a reason that relates to their disability, or treat them less favourably than a non-disabled person. The charity will conduct an individual risk assessment for every employee with a disability. This will identify any reasonable adjustments it needs to make in the work place, or job, in order for the person to contribute fully to the work of the charity.

Relationships with related parties and other charities

Father Hudson's owns 100% of the issued share capital of F.H.S. Projects Ltd, a company registered in England and Wales no. 3720516, whose main activity is the development of property for use by the Society. All profits within F.H.S. Projects Ltd are donated to Father Hudson's under Gift Aid. The company is currently dormant and so consolidated financial statements have not been prepared.

In 2009 the trustees transferred adoption work to a new independent non-denominational Charity, Family Society – Adoption Focus. This is a completely independent and separate charity. Two trustees of Father Hudson's were also trustees of Family Society. Family Society – Adoption Focus undertakes some adoption support work on behalf of Father Hudson's Society. Father Hudson's provides certain administrative support to Family Society. All such arrangements are undertaken for fees agreed on an arm's length basis.

Father Hudson's has employed the services of Wentworth Employee Benefits Ltd (Wentworth) in the design and implementation of a Group Personal Pension Scheme. Three of the directors of Wentworth are related to a trustee of the Society. Fees to Wentworth have been agreed on an arm's length basis and the trustee took no part in the decision to use Wentworth nor in the fee negotiations. At 31 March 2019 fees amounting to £1,800 had been paid or accrued to Wentworth. Wentworth also act as advisors to the Trustees of the FHS Pension Scheme.

Father Hudson's has close relationships with a number of other religious charities with whom it collaborates in the delivery of services in Community based projects. In each case there is a written collaboration agreement.

Governance and Internal Controls

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of Father Hudson's and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Father Hudson's and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the trustees.
- Regular consideration by the trustees of the financial results, variances from budgets, non-financial performance indicators and benchmarking reviews.
- Delegation of authority, segregation of duties and formal supervision structures.

Review of Strategic Management 2018/19

Risk	Risk at the start of year	Risk at the end of year
Reputation for safeguarding children, young people and vulnerable adults		
Non inspected services	Low	Low
Financial management –income generation and expenditure control		
St Joseph's – whilst occupancy is still a concern and because St Joseph's received a 'Requires Improvement' CQC inspection it has not been possible to reduce the risk beyond moderate. However there is confidence that all the issues raised by CQC have been addressed, and especially that a strong management team is now fully in place with a new Registered manager, a new Deputy manager, a new Head of Adult care and a new group of Care leaders who provide substantial wing management. In the course of the year two external consultancies provided substantial assistance in establishing a clear direction to ensure the service is sustainable. It is not possible to reduce yet beyond 'moderate' until greater certainty exists for maintaining the necessary occupancy, even though this has very significantly improved this year	High	Moderate
Day service – very significant restructuring took place during the year and was fully implemented by 31 March. However, it is too early to ascertain the sustainability of the service due to the uncertainty about Local authority plans concerning Day opportunities. The service is in a stronger position than it was at the start of the year and clear opportunities have been identified to extend the provision. Nevertheless until Local authorities have determined their approach and until the Day service has clear and effective marketing to individuals and additional client groups it would be unwise to change the risk assessment	High	High
St Catherine's –The service is greatly valued by the families and the residents and there is a definite need for this service. However Local authorities and Health require convincing that the fees required to provide a quality service will be paid. This leads to significant periods of vacancy as contracts are agreed. At the same time the	High	High

Risk	Risk at the start of year	Risk at the end of year
service received a 'Requires improvement' in the early autumn and this has had to be addressed. Substantial restructuring of the service took place and was fully implemented by 31 March 2019. Due to the recency of these changes and the LA/ Health approach is been decided to leave the risk as high.		
New Routes – the service has shown great flexibility and resilience in the course of the year following on a lower than required number of placements. The successful management of these challenges gives confidence for the coming year, so the risk assessment remains the same even with a lower budgeted placement number. There is clear evidence that the service is growing in terms of placements and new Foster carer households and a clear and flexible staffing plan.	Moderate	Moderate
Family Support in Schools' Service – in the course of the year some schools requested and paid for extra days, which was very encouraging. At the same time some schools withdrew due to the funding pressures they were under themselves. In addition to the funding pressures the Diocesan reorganisation of schools into Multi Academies is having a significant impact upon individual school's autonomy to commission the service. Sadly the excellent funding bid to the Lottery was not successful. The sensitivity of the service to schools' own funding challenges and the MAC reorganisation necessitates an assessment of a higher risk.	Moderate	Moderate/High
The risk of not selling St Andrew's remains at the start of this new year, however all the necessary challenges were overcome regarding planning and a provisional offer has been accepted. The Trustees therefore decided to remove this as a significant risk – the probability is that by the summer of 2019 a sale will be completed. Arrangements have been in place, both to keep it secure through short-term tenancy and to make it an attractive purchase.	Low	Removed
Tabor House –whilst the concerns about working with vulnerable client group and a project that relies so heavily on volunteers remain, in the course of the year a stable paid staff team was established and sufficient funding secured for this new financial year. Therefore the risk has been lowered.	Moderate	Low
44 Coventry Road was completely refurbished and new	Low	Removed

Risk	Risk at the start of year	Risk at the end of year
tenants moved in before the end of March 2019. Therefore this risk will be removed from the table for the coming year		
Staff retention has been addressed in this year and therefore is not a current major concern, however service continuity and procedural continuity remains a concern due to the short term grant funding available. Whilst successful grant funding for a number of projects was achieved the commitment to taking on a new building for Brushstrokes, the recognition that grant funding is becoming even more difficult to secure and the planned absence of the Head of Department for a minimum of six months, necessitates an increased risk assessment.	Low to moderate	Moderate
Pension Fund liability–the Trustees have decided to raise the risk assessment in the light of the fact that pension funds for all charities and companies require constant monitoring to ensure liabilities can be met. Nevertheless, the Charity is confident that the careful management of expenditure this year and the interim valuation of the pension scheme indicates all that can be done is being done.	Low	Moderate

Strategic Risk management 2019/2020

The CEO and Trustees reviewed the strategic risk assessment for the previous year and considered other services/ departments with regards to possible new risks facing the organisation. As a result of this deliberation some strategic risks were removed not on the understanding that no risks remained , rather that the work done to manage these was effective), some previously identified risks were downgraded , several were identified as of increased concern and some new risks have been added in order that additional management actions could be put in place.

Financial management

The Trustees agreed with the CEO a process for preparing the next three–year plan; the current three–year plan covers the period 2017 to 2020. A format for SWOT/PESTLE analysis, financial analysis and financial modelling for the following three years was agreed and distributed to managers, to be used with each service .All the preparatory work will be collated and analysed in

preparation for the Trustees' strategy away day in October 2019. This will then feed into the budgetary preparations for 2020–2021.

St Joseph's—marketing remains critical to ensuring high occupancy; a successful CQC this year will aid the progress already made.

St Catherine's Day service – this service experienced the most radical transformation in the previous year and is well placed to develop its core service and expand its services. It will need time and support this year to reshape.

St Catherine's – the appointment of a new Head of Adult care, with a strong background in compliance and quality assurance, and the restructuring which came into place in April 2019 is expected to contribute to and improve the CQC rating. The appointment of an external consultant to support necessary reviews of fees with Local authorities will also contribute to the sustainability of this service.

Family Support in Schools' Service – the service will focus its attention on developing strategic relationships with the new MACs and continue to seek to draw in some additional grant income in order to sustain this excellent service, which reaches so many vulnerable children, young people and their families.

Property Management – FHC still needs to see through the sale of St Andrew's successfully in order to invest the income to produce regular financial support that can be used in all services, in the light of the remaining, though reduced, operational deficit. FHC retains **one property** that requires substantial refurbishment and this has been identified as one that has to be remedied this year.

Fundraising to support projects/services across the Charity remains vitally important. The Head of Community projects and the Fundraising manager have identified that Trust fundraising in particular has become ever more challenging. The Trustees have commissioned an external review of fundraising, recognising the hard work and success of the current small department, in order to assist it identify how to meet the increasing challenges. At the same time all parts of the organisation will have to become more aware of everyone's responsibility to secure external income wherever possible—not only charitable income— but also fee income from Local authorities.

The previous year required substantial restructuring and control of expenditure. This has been a very difficult period for staff and for particular staff. In order not to be in the same position again all managers know the importance of retaining a focus on control of expenditure and securing additional income.

Having identified these there is now a detailed management response in place.

Going Concern

After reviewing the Society's budgets and projections, the Trustees have a reasonable expectation that Father Hudson's has adequate resources to continue in operational existence for the foreseeable future. Father Hudson's therefore continues to adopt the going concern basis in preparing the financial statements.

Key Management Personnel Remuneration

The trustees consider the Senior Management Team, comprising the Principal Staff listed on page 1, as being the key management personnel of Father Hudson's in charge of running and operating the charity on a day to day basis. All trustees give of their time freely and no trustees' remuneration was paid in the year. Details of trustees' reimbursed expenses and related party transactions are disclosed in notes 10 and 12 to the financial statements.

Trustees are required to disclose all relevant interests and register them in accordance with the Society's policy and highlight them during discussions where a conflict of interest arises.

The pay of the charity's management team is reviewed annually. The remuneration is benchmarked with other charities of a similar size and activity in the West Midlands area to ensure that the remuneration is fair and not out of line with that paid for similar roles.

Statement of responsibilities of the trustees

The trustees (who are also directors of Father Hudson's for the purposes of company law) are responsible for preparing the report of the trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible

for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 18 June 2019 and signed on their behalf by

Kevin Caffrey MBE
Trustee

Opinion

We have audited the financial statements of Father Hudson's Society (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

Independent auditor's report

To the members of

Father Hudson's Society

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Fleur Holden (Senior statutory auditor)

18 June 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Endowment £	Restricted £	Unrestricted £	2019 Total £	Endowment £	Restricted £	Unrestricted £	2018 Total £
Income from:									
Donations and legacies	2	–	273,948	496,219	770,167		349,293	550,492	899,785
Charitable activities									
Adult Care	3	–	–	4,374,734	4,374,734	–	–	4,210,172	4,210,172
Family Placement	3	–	–	679,764	679,764	–	–	848,091	848,091
Community projects	3	–	705,717	198,879	904,596	–	480,524	208,899	689,423
Other activities	4	–	–	63,071	63,071	–	–	463,084	463,084
Investments	5	83,632	–	118,444	202,076	74,997		127,800	202,797
Total income		83,632	979,665	5,931,111	6,994,408	74,997	829,817	6,408,538	7,313,352
Expenditure on:									
Raising funds	6	–	–	232,548	232,548	–	–	234,194	234,194
Charitable activities									
Adult Care	6	–	76,164	4,698,112	4,774,276	–	60,474	4,712,339	4,772,813
Family Placement	6	–	2,064	1,226,256	1,228,320	–	2,993	1,339,089	1,342,082
Community Projects	6	–	801,038	289,101	1,090,139	–	695,149	221,735	916,884
Exceptional reorganisation costs	7	–	–	114,456	114,456	–	–	–	–
Other		–	959	31,056	32,015	–	–	71,936	71,936
Total expenditure		–	880,225	6,591,529	7,471,754	–	758,616	6,579,293	7,337,909
Net income / (expenditure) before net gains / (losses) on investments		83,632	99,440	(660,418)	(477,346)	74,997	71,201	(170,755)	(24,557)
Net gains / (losses) on investment properties	16	–	–	–	–	–	–	211,359	211,359
Net gains / (losses) on investments	17	89,968	–	92,486	182,454	(38,064)	–	(42,287)	(80,351)
Net income/(expenditure) for the year	9	173,600	99,440	(567,932)	(294,892)	36,933	71,201	(1,683)	106,451
Transfers between funds	23a	(83,632)	(17,179)	100,811	–	(74,997)	–	74,997	–
Net income / (expenditure) before other recognised gains and losses		89,968	82,261	(467,121)	(294,892)	(38,064)	71,201	73,314	106,451
Actuarial gains / (losses) on defined benefit pension schemes		–	–	(273,000)	(273,000)	–	–	(34,000)	(34,000)
Net movement in funds		89,968	82,261	(740,121)	(567,892)	(38,064)	71,201	39,314	72,451
Reconciliation of funds:									
Total funds brought forward		5,708,023	1,436,859	2,820,284	9,965,166	5,746,087	1,365,658	2,780,970	9,892,715
Total funds carried forward		5,797,991	1,519,120	2,080,163	9,397,274	5,708,023	1,436,859	2,820,284	9,965,166

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 23 to the financial statements.

Balance sheet

Company no. 01653388

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	14		5,199,430		5,299,944
Investment properties	16		735,000		735,000
Investments	17		5,172,515		5,013,204
			<u>11,106,945</u>		<u>11,048,148</u>
Current assets:					
Land and buildings	15	24,658		–	
Debtors	18	673,286		729,094	
Cash at bank and in hand		191,743		635,611	
		<u>889,687</u>		<u>1,364,705</u>	
Liabilities:					
Creditors: amounts falling due within one year	19	(507,358)		(676,687)	
				<u></u>	
Net current assets			<u>382,329</u>		<u>688,018</u>
Net assets excluding pension liability			<u>11,489,274</u>		<u>11,736,166</u>
Defined benefit pension scheme liability	20		(2,092,000)		(1,771,000)
Total net assets			<u>9,397,274</u>		<u>9,965,166</u>
The funds of the charity:	23				
Expendable Endowment			5,797,991		5,708,023
Restricted funds			1,519,120		1,436,859
Unrestricted income funds:					
Designated funds		2,474,625		2,474,625	
Fair value reserve		432,712		409,969	
Revaluation reserve		651,776		651,776	
General funds		613,050		1,054,914	
Pension reserve		(2,092,000)		(1,771,000)	
		<u></u>		<u></u>	
Total unrestricted funds			<u>2,080,163</u>		<u>2,820,284</u>
Total charity funds			<u>9,397,274</u>		<u>9,965,166</u>

Approved by the trustees on 18 June 2019 and signed on their behalf by

Kevin Caffrey MBE
Trustee

Father Hudson's Society

Statement of cash flows

For the year ended 31 March 2019

	Note	£	2019 £	£	2018 £
Cash flows from operating activities	24				
Net cash provided by / (used in) operating activities			(402,894)		(575,344)
Cash flows from investing activities:					
Dividends, interest and rents from investments		250,076		248,797	
Proceeds from the sale of fixed assets		3,424		389,721	
Purchase of fixed assets		(269,617)		(217,612)	
Proceeds from sale of investments		635,618		1,600,684	
Purchase of investments		(311,955)		(1,805,917)	
(Increase)/decrease in cash held in listed investments portfolio		(300,520)		220,917	
Proceeds from sale of investment property		–		397,609	
Net return on pension scheme		(48,000)		(46,000)	
Net cash provided by / (used in) investing activities			(40,974)		788,199
Change in cash and cash equivalents in the year			(443,868)		212,855
Cash and cash equivalents at the beginning of the year			635,611		422,756
Cash and cash equivalents at the end of the year	25		191,743		635,611

1 Accounting policies

a) Statutory information

Father Hudson's Society is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is St George's House, Gerards Way, Coleshill, Birmingham B46 3FG.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting Policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Expendable endowment funds are funds realised from the disposal of assets purchased for the Society by its founder Mgr George Hudson from funds raised by public subscription.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Exceptional reorganisation costs

The reorganisation costs, which include consultancy and redundancy costs, are included as an exceptional item in the statement of financial activities due to their one-off nature.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|--|-----|
| ● Adult Care | 55% |
| ● Family Placement | 16% |
| ● Community Projects | 16% |
| ● Costs of generating voluntary income | 4% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting Policies (continued)

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

m) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

n) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Land (no depreciation)	
● Buildings	3%
● Motor Vehicles	12.5 – 25%
● Computers	20%
● Fixtures, Fittings and Equipment	10 – 25%

o) Land and buildings within current assets

Land and buildings within current assets are not depreciated. Land and buildings are those assets which are actively being sold and are measured at the lower of carrying value and their fair value less costs to sell. Assets are reviewed for impairment at the point of transfer from fixed assets and after classification as an asset held for sale. Any change in fair value is recognised in the statement of financial activities.

p) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a revaluation reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

q) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

r) Investments in subsidiaries

Investments in subsidiaries are at cost. FHS Projects Limited, a wholly owned subsidiary was dormant for the year and so consolidated accounts were not needed.

1 Accounting Policies (continued)

s) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

t) Cash at bank and in hand

Cash at bank and cash in hand includes cash. Cash balances exclude any funds held on behalf of service users.

u) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

v) Financial instruments

With the exception of the listed investments and defined benefit pension liability, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details of the non-basic financial instruments are given in the financial instruments note.

w) Pensions

The society operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the SOFA and the contributions payable to the scheme is shown as an asset or liability in the balance sheet.

Contributions payable on behalf of employees to money purchase pension schemes are charged to the Statement of Financial Activities as they become payable.

2 Income from donations and legacies

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Restricted donations	273,948	–	273,948	349,293	–	349,293
Legacies	–	198,680	198,680	–	321,160	321,160
Schools	–	56,054	56,054	–	64,106	64,106
Parishes	–	65,977	65,977	–	60,254	60,254
Other Donations	–	159,115	159,115	–	92,089	92,089
Tax Recoverable	–	16,393	16,393	–	12,883	12,883
	273,948	496,219	770,167	349,293	550,492	899,785

3 Income from charitable activities

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Local Authority	–	2,739,337	2,739,337	–	2,506,179	2,506,179
Private	–	1,635,397	1,635,397	–	1,703,993	1,703,993
Sub-total for Adult Care	–	4,374,734	4,374,734	–	4,210,172	4,210,172
Local Authority	–	679,764	679,764	–	848,091	848,091
Sub-total for Family Placement	–	679,764	679,764	–	848,091	848,091
Other Charities	295,460	–	295,460	285,209	–	285,209
Grants	410,257	–	410,257	195,315	–	195,315
Schools	–	198,879	198,879	–	208,899	208,899
Sub-total for Community Based Projects	705,717	198,879	904,596	480,524	208,899	689,423
Total income from charitable activities	705,717	5,253,377	5,959,094	480,524	5,267,162	5,747,686

4 Income from other activities

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Administration Charges	–	60,688	60,688	–	82,500	82,500
Profit on Disposal of Fixed Assets	–	2,383	2,383	–	380,584	380,584
Total income from other activities	–	63,071	63,071	–	463,084	463,084

5 Income from investments

	Endowment £	Unrestricted £	2019 Total £	Endowment £	Unrestricted £	2018 Total £
Income from UK listed Investments	83,632	112,961	196,593	74,997	129,114	204,111
Interest receivable	–	433	433	–	183	183
Net return on pension scheme	–	(48,000)	(48,000)	–	(46,000)	(46,000)
Rental Income	–	53,050	53,050	–	44,503	44,503
Total income from investments	83,632	118,444	202,076	74,997	127,800	202,797

Notes to the financial statements

For the year ended 31 March 2019

6a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Support Costs £	Governance Costs £	Obsolete Property £	2019 Total £	2018 Total £
		Adult Care £	Family Placement £	Community Based Projects £					
Staff costs (Note 10)	155,290	2,861,793	533,701	726,202	494,280	–	–	4,771,266	4,683,721
Client Costs	–	378,323	439,399	37,171	–	–	–	854,893	959,626
Property Costs	1,289	440,246	42,342	71,881	133,261	–	17,782	706,801	704,086
Publicity Costs	12,028	12,808	–	–	–	–	–	24,836	25,019
Agency Costs	–	221,501	–	–	–	–	–	221,501	200,583
Travel Costs	3,277	39,318	17,436	13,355	15,454	–	–	88,840	108,399
Professional Fees	1,972	21,425	11,157	14,784	17,130	63,833	–	130,301	85,947
Other Direct Costs	21,739	45,224	27,443	58,391	19,252	28,279	–	200,328	218,823
Grants Payable	–	–	–	2,500	–	–	–	2,500	2,500
Depreciation	–	240,495	6,031	3,438	94,468	–	–	344,432	337,805
Audit Fee	–	–	–	–	–	11,600	–	11,600	11,400
	195,595	4,261,133	1,077,509	927,722	773,845	103,712	17,782	7,357,298	7,337,909
Support costs	26,451	415,129	117,556	129,162	(773,845)	71,314	14,233	–	–
Governance costs	10,502	98,014	33,255	33,255	–	(175,026)	–	–	–
Total expenditure 2019	232,548	4,774,276	1,228,320	1,090,139	–	–	32,015	7,357,298	–
Total expenditure 2018	234,194	4,772,813	1,342,082	916,884	–	–	71,936	7,337,909	

6b Analysis of expenditure Previous year)

	Cost of raising funds £	Charitable activities			Support Costs £	Governance Costs £	Obsolete Property £	2018 Total £	2017 Total £
		Adult Care £	Family Placement £	Community Based Projects £					
Staff costs (Note 10)	148,891	2,849,343	554,542	644,681	486,264	-	-	4,683,721	4,344,872
Client Costs	-	407,389	536,555	15,682	-	-	-	959,626	882,637
Property Costs	-	475,046	15,903	50,437	132,691	-	30,009	704,086	657,268
Publicity Costs	15,939	9,080	-	-	-	-	-	25,019	27,663
Agency Costs	-	181,404	359	-	18,820	-	-	200,583	269,482
Travel Costs	4,141	48,999	23,787	12,957	18,515	-	-	108,399	91,286
Professional Fees	1,938	22,726	15,375	11,431	16,820	17,657	-	85,947	84,450
Other Direct Costs	28,266	54,577	38,684	45,661	29,024	22,611	-	218,823	219,496
Grants Payable	-	-	-	2,500	-	-	-	2,500	23,750
Depreciation	-	234,857	5,306	3,437	92,204	-	2,001	337,805	325,427
Audit Fee	-	-	-	-	-	11,400	-	11,400	-
	199,175	4,283,421	1,190,511	786,786	794,338	51,668	32,010	7,337,909	6,926,331
Support costs	27,902	424,708	129,971	109,635	(794,338)	62,196	39,926	-	-
Governance costs	7,117	64,684	21,600	20,463	-	(113,864)	-	-	-
Total expenditure 2018	234,194	4,772,813	1,342,082	916,884	-	-	71,936	7,337,909	6,926,331
Total expenditure 2017	215,901	4,543,488	1,331,406	740,837	-	-	94,699	6,926,331	

7 Exceptional reorganisation costs

	2019 £	2018 £
Redundancy Costs	81,413	
Professional Fees	33,043	–
	114,456	–

8a Grant making (current year)

	Grants to institutions £	Support costs £	2019 £	2018 £
Cost				
Pastoral Care Project	2,500	–	2,500	2,500
Anawim WWT	–	22,392	22,392	28,200
Hope Community Project	–	47,088	47,088	13,282
New Heights	–	21,348	21,348	8,395
Maryvale	–	29,220	29,220	6,787
North Staffs Linkline	–	–	–	–
At the end of the year	2,500	120,048	122,548	59,164

8b Grant making (prior year)

	Grants to institutions £	Support costs £	2018 £	2017 £
Cost				
Pastoral Care Project	2,500	–	2,500	5,000
Anawim WWT	–	28,200	28,200	48,196
Hope Community Project	–	13,282	13,282	15,811
New Heights	–	8,395	8,395	6,803
Maryvale	–	6,787	6,787	8,411
North Staffs Linkline	–	–	–	3,750
At the end of the year	2,500	56,664	59,164	87,971

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	344,432	337,805
Loss or (profit) on disposal of fixed assets	(2,383)	(380,584)
Operating lease rentals:		
• Property	–	–
• Other	19,104	14,736
Auditor's remuneration (excluding VAT):		
• Audit	11,600	11,400
• Other services	–	–

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	4,289,989	4,181,993
Redundancy and termination costs	91,872	17,042
Social security costs	298,015	279,481
Employer's contribution to defined benefit pension scheme	–	143,335
Employer's contribution to defined contribution pension scheme	172,803	24,793
Operating costs of defined benefit pension scheme	–	37,077
	4,852,679	4,683,721

Redundancy costs were paid and settled in the year and included an ex gratia payment of £5,100 (2018: £11,876). The redundancy and termination costs accrued at the balance sheet date were £16,833 (2018: £nil).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	–	–
£70,000 – £79,999	–	1
£80,000 – £89,999	1	–
	–	–

The total employee benefits including employer's national insurance and pension contributions of the key management personnel were £372,725 (2018: £386,034).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,129 (2018: £695) incurred by 2 (2018: 2) members relating to attendance at meetings of the trustees.

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Raising funds	6	7
Adult Care	194	199
Family Placement	10	11
Community projects including schools	50	48
Support	14	15
Governance	2	2
	276	282

12 Related party transactions

There are related party transactions to disclose for 2018/19 as detailed below.

Aggregate donations from related parties were £37,000 all of which was received from Birmingham Diocesan Trust (2018: £nil).

The Society has employed the services of Wentworth Employee Benefits Ltd (Wentworth) in the design and implementation of a Group Personal Pension Scheme. Three of the directors of Wentworth are related to a trustee of the Society. Fees to Wentworth have been agreed on an arms length basis and the trustee took no part in the decision to use Wentworth nor in the fee negotiations. At 31 March 2019 fees amounting to £1,800 (2018: £1,800) had been paid to Wentworth. Wentworth also act as advisors to the Trustees of the FHS Pension Scheme.

The President of the Society, the Most Rev. Bernard Longley, is a trustee of Birmingham Diocesan Trust (registered charity number 234216). During the year, the Trust paid for residential care for sick and retired priests in St Joseph's Care Home amounting to £97,011 (2018: £277,617). The balance at the year end was £nil due to the Society.

The Chair of the Society, Mr Kevin Caffrey was a trustee of Family Society (registered charity number 1129095). During the year the Society provided support services to Family Society to the value of £30,000 (2018: £30,000). At the year end the balance owed by Family Society was £325. In addition, during the year Family Society provided the Society with post adoption support services to the value of £nil (2018: £600). At the year end the balance owed to Family Society was £0.

The Chief Executive of the Society, Mr Andrew Quinn, is a trustee of Anawim (registered charity number 1159706). During the year the Society provided support services in kind to Anawim to the value of £22,392 (2018: £28,200) for which payment of £16,500 (2018: £13,500) was received. The balance at the year end was £nil.

Mrs Jo Watters, Head of Community Projects, is a trustee of Hope Community Project (registered charity number 1139362). During the year the Society made a donation of £ Nil (2018: £Nil) to the Project and provided support services in kind to the value of £47,088 (2018: £13,282) for which payment of £6,000 was received (2018: £ Nil). The balance at the year end was £nil.

Mrs Jo Watters was a trustee of New Heights (registered charity number 1120869). During the year the Society provided support services in kind to the Project to the value of £21,348 (2018: £8,395) for which payment of £1,200 (2018: £2,000) was received. The balance at the year end was £nil.

The Society is a corporate trustee of Maryvale Community Project (registered charity number 1147691). During the year the Society provided support services in kind to the Project to the value of £29,220 (2018: £6,787). The balance at the year end was £nil.

13 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

14 Tangible fixed assets

	Freehold property £	Fixtures and Fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At the start of the year	7,055,126	784,711	91,743	228,492	8,160,072
Additions in year	194,133	69,239	–	6,245	269,617
Disposals in year	–	–	(9,148)	(35,563)	(44,711)
Transfers	(86,694)	–	–	–	(86,694)
At the end of the year	7,162,565	853,950	82,595	199,174	8,298,284
Depreciation					
At the start of the year	2,490,200	172,173	64,066	133,691	2,860,130
Charge for the year	212,951	97,707	15,197	18,577	344,432
Transfers	(62,036)	–	–	–	(62,036)
Eliminated on disposal	–	–	(9,148)	(34,522)	(43,670)
At the end of the year	2,641,115	269,880	70,115	117,746	3,098,856
Net book value					
At the end of the year	4,521,450	584,070	12,480	81,428	5,199,430
At the start of the year	4,564,926	612,538	27,677	94,801	5,299,944

Land with a value of £41,000 (2018: £61,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

15 Land and buildings (within current assets)

	2019 £	2018 £
Cost		
At the start of the year	–	–
Transferred from fixed assets	86,694	–
At the end of the year	86,694	–
Depreciation		
At the start of the year	–	–
Transferred from fixed assets	62,036	–
At the end of the year	62,036	–
Net book value		
At the end of the year	24,658	–
At the start of the year	–	–

All of the above assets are used for charitable purposes.

16 Investment properties

	2019 £	2018 £
Fair value at the start of the year	735,000	917,500
Disposals	–	(225,000)
Revaluation during the year	–	42,500
Fair value at the end of the year	735,000	735,000

The investment properties were last valued on an open market (assuming vacant possession) or investment basis by Reeves & Partners Chartered Surveyors as at 31 March 2018. The directors have reviewed the Reeves & Partners valuation and are of the opinion that this represents fair value as at 31st March 2019.

17 Listed investments

	2019 £	2018 £
Fair value at the start of the year	4,946,028	4,821,146
Additions at cost	311,955	1,805,917
Disposal proceeds	(635,618)	(1,600,684)
Net gain / (loss) on change in fair value	182,454	(80,351)
	4,804,819	4,946,028
Cash held by investment broker pending reinvestment	367,694	67,174
Fair value at the end of the year	5,172,513	5,013,202

Investments comprise:

	2019 £	2018 £
UK Collective Funds	1,736,076	1,789,672
Shares listed on the London Stock Exchange	2,049,808	1,992,571
Fixed Interest	740,537	890,990
Property Funds	278,398	272,795
Cash	367,694	67,174
	5,172,513	5,013,202

Shares in group undertaking

	2019 £	2018 £
Cost at 1 April 2018 and 31 March 2019	2	2

The Society owns 100% of the issued share capital of F.H.S. Projects Limited. The company was dormant during the current and previous financial years.

18 Debtors

	2019 £	2018 £
Trade debtors	357,949	367,804
Accrued income	206,393	252,885
Prepayments	108,944	108,405
	673,286	729,094

19 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	187,465	279,369
Taxation and social security	67,636	73,834
Accruals	252,257	323,484
	507,358	676,687

20 Pension Scheme

The charity operates a defined benefit scheme in the UK which closed to future accrual on 31st July 2017. The assets are held separately from those of the group, being invested in managed funds with insurance companies. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified Actuary on the basis of triennial valuations using the projected unit method.

The most recent full actuarial valuation was carried out at 1 August 2017 by a qualified independent actuary. The actuarial value amounted to £5,062,000 at that date. Scheme assets were 99% of that figure.

Until 31st July 2017 contributions were paid at 13.4% of pensionable pay and employee members contributed 8% of pensionable pay. The charity continues to pay all costs of running the Scheme.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed that:

The rate of return on the Scheme's assets will be 5.25% (6.0%) p.a.

The rate of return appropriate for determining the cost of pensions once in payment will be 3.25% (4.0%) p.a.

The rate of future pensionable salary increases (both from inflation and promotion) will be 0% (3.1%) p.a.

Mortality will be in line with appropriate mortality tables. There will be no withdrawals of membership in service.

Limited Price Indexation (LPI) in payment subject to a minimum of 3% p.a. will average 3.25% (3.00%) p.a.

Members will commute 25% (25%) of their pension at retirement.

The employer's contribution for the period was £40,005 (2018: £123,825).

The employee benefit obligations recognised in the balance sheet are as follows:

	2019 £'000	2018 £'000
Present value of funded obligations	(7,284)	(6,846)
Fair value of plan assets	<u>5,192</u>	<u>5,075</u>
	<u>(2,092)</u>	<u>(1,771)</u>

Amounts in the balance sheet

	2019 £'000	2018 £'000
Liabilities	(7,284)	(6,846)
Assets	<u>5,192</u>	<u>5,075</u>
Net Liability	<u>(2,092)</u>	<u>(1,771)</u>

Amounts recognised in net income\ (expenditure) are as follows:

	2019 £'000	2018 £'000
Current service cost	–	(69)
Interest on obligation	(184)	(180)
Expected return on plan assets	<u>136</u>	<u>134</u>
Total	<u>(48)</u>	<u>(115)</u>
Actual return on plan assets	<u>–</u>	<u>166</u>

20 Pension Scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2019 £'000	2018 £'000
Opening defined benefit obligation	6,846	6,755
Service cost	–	32
Interest cost	184	180
Contribution by members	–	15
Actuarial gains	349	66
Benefits paid	(95)	(202)
Closing defined benefit obligation	<u>7,284</u>	<u>6,846</u>

Changes in the fair value of plan assets

	2019 £'000	2018 £'000
Opening fair value of plan assets	5,075	5,009
Contributions by members	–	15
Expected return	136	134
Actuarial gains	76	32
Contributions by employer	–	87
Benefits paid	(95)	(202)
	<u>5,192</u>	<u>5,075</u>

The major categories of plan assets as a percentage of total plan assets are as

	2019 %	2018 %
Equities	63	68
Bonds	22	14
Property	12	13
Cash	<u>3</u>	<u>5</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019	2018
Discount rate at the end of the year	2.50%	2.70%
Expected return on plan assets at the end of the year	3.30%	3.30%
Future salary increases	0.00%	0.00%
Future pension increases	<u>3.30%</u>	<u>3.30%</u>

Amounts for the current and previous four periods are as follows:

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Defined benefit obligation	(7,284)	(6,846)	(6,755)	(5,044)	(5,182)
Plan assets	5,192	5,075	5,009	4,051	3,575
Deficit	(2,092)	(1,771)	(1,746)	(993)	(1,607)
Experience adjustments on plan liabilities	(3)	(246)	7	18	(581)
Experience adjustments on plan assets	<u>76</u>	<u>32</u>	<u>702</u>	<u>(165)</u>	<u>211</u>

21 Financial instruments

	2019 £	2018 £
Financial assets measured at fair value through profit and loss		
Investments	5,172,515	5,013,202
Financial liabilities measured at fair value through profit or loss		
Defined pension scheme liability	2,092,000	1,771,000

22a Analysis of net assets between funds (current year)

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	3,619,776	917,672	661,982	5,199,430
Investment properties	–	–	735,000	735,000
Investments	2,178,215	–	2,994,300	5,172,515
Net current assets / (liabilities)	–	601,448	(219,119)	382,329
Defined benefit pension liabilities	–	–	(2,092,000)	(2,092,000)
Net assets at 31 March 2019	5,797,991	1,519,120	2,080,163	9,397,274

22b Analysis of net assets between funds (prior year)

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	3,620,062	974,996	704,886	5,299,944
Investment properties	–	–	735,000	735,000
Investments	2,087,961	–	2,925,243	5,013,204
Net current assets	–	461,863	226,155	688,018
Defined benefit pension liability	–	–	(1,771,000)	(1,771,000)
Net assets at 31 March 2018	5,708,023	1,436,859	2,820,284	9,965,166

23a Movements in funds (current year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Expendable Endowment	5,708,023	173,600	–	(83,632)	5,797,991
Restricted funds:					
Capital					
St Joseph's Care Home	974,996	–	(57,324)	–	917,672
Income					
Hope Community project	–	153,929	(153,929)	–	–
Brushstrokes	127,072	227,087	(136,387)	–	217,772
Brushstrokes – Lottery	28,188	123,282	(130,131)	–	21,339
Anawim	–	26,802	–	–	26,802
Day Service	35,487	3,647	(3,150)	–	35,984
Fatima House	37,417	22,681	(11,251)	–	48,847
Tabor House	152,523	70,668	(109,245)	–	113,946
North Staffs YAH	33,994	110,900	(88,866)	–	56,028
Other	47,182	240,670	(189,943)	(17,179)	80,730
Total restricted funds	1,436,859	979,666	(880,226)	(17,179)	1,519,120
Unrestricted funds:					
Designated funds					
Capital Funds					
Property Fund	2,197,015	–	–	–	2,197,015
Income Funds					
Post Adoption Support Fund	264,609	–	–	–	264,609
Emrys John Ellis Fund	13,001	–	–	–	13,001
Total designated funds	2,474,625	–	–	–	2,474,625
Fair value reserve	409,969	–	–	22,743	432,712
Revaluation reserve	651,776	–	–	–	651,776
General funds	1,054,914	6,071,597	(6,591,529)	78,068	613,050
Total unrestricted funds	4,591,284	6,071,597	(6,591,529)	100,811	4,172,163
Pension reserve	(1,771,000)	(48,000)	(273,000)	–	(2,092,000)
Total funds including pension fund	9,965,166	7,176,863	(7,744,755)	–	9,397,274

Transfers

Expendable Endowment

The transfer of £83,632 (2018: £74,997) to general funds comprises income arising on Expendable Endowment listed investments.

Restricted Funds – Other

The transfer of £17,179 (2018: £nil) comprises the release of funds from the Embrace Project (Worcs) which closed on the 31st March 2019.

23b Movements in funds (prior year)

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Expendable Endowment	5,746,087	36,933	–	(74,997)	5,708,023
Restricted funds:					
Capital					
St Joseph's Care Home	1,032,320	–	(57,324)	–	974,996
Income					
Hope Community project	–	167,483	(167,483)	–	–
Brushstrokes	144,939	88,212	(106,079)	–	127,072
Brushstrokes – Lottery	3,323	155,806	(130,941)	–	28,188
Anawim	–	2,729	(2,729)	–	–
Day Service	28,347	10,290	(3,150)	–	35,487
Fatima House	32,522	19,247	(14,352)	–	37,417
Tabor House	85,574	147,786	(80,837)	–	152,523
North Staffs YAH	15,261	68,509	(49,776)	–	33,994
Other	23,372	169,755	(145,945)		47,182
Total restricted funds	1,365,658	829,817	(758,616)	–	1,436,859
Unrestricted funds:					
Designated funds					
Capital Funds					
Property Fund	2,197,015	–	–	–	2,197,015
Income Funds					
Post Adoption Support Fund	265,209	–	(600)	–	264,609
Emrys John Ellis Fund	57,968	–	(44,967)	–	13,001
Total designated funds	2,520,192		(45,567)	–	2,474,625
Fair value reserve	641,449	–	(48,369)	(183,111)	409,969
Revaluation reserve	809,276	42,500	–	(200,000)	651,776
General funds	556,053	6,583,479	(6,533,726)	449,108	1,054,914
Total unrestricted funds	4,526,970	6,625,979	(6,627,662)	65,997	4,591,284
Pension reserve	(1,746,000)	–	(34,000)	9,000	(1,771,000)
Total funds including pension fund	9,892,715	7,492,729	(7,420,278)	–	9,965,166

Purposes of restricted funds

Capital Funds

Capital funds comprise grants/donations towards the costs of fixed assets to be used by the Society for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying asset is treated as restricted expenditure.

St Josephs Care Home

This fund represents grants and donations towards the building of St Joseph's Care Home for older people and people with dementia. At 31 March 2019 costs of £3,318,826 (2018: £3,318,826) have been incurred and capitalised.

Income Funds

These funds are in receipt of grants to assist in the development of these projects.

Purposes of designated funds

Capital Funds

The Property Fund represents the book value of land, buildings and fixtures (less any associated restricted funds) currently held or in construction for charity use. The funds are therefore unavailable for other use.

The unrealised revaluation gains on investment properties represent the difference in valuation and book cost and being unrealised are not available for use.

The unrealised gains on investments fund represent the gains in value of investments over book cost, which being unrealised are not available for use.

Income Funds

Emrys John Ellis Fund – the income and some of the capital from this fund, which is held within the total investments of the Society, will be used to fund new social projects in the diocese.

Post Adoption Support Fund – a fund set aside to cover the Society's ongoing legal obligation to provide post adoption services where specified in the local authority placement agreement.

The pension reserve represents the deficit as calculated under FRS102.

24 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(567,892)	72,451
Dividends, interest and rent from investments	(202,076)	(202,797)
Depreciation charges	344,432	337,805
(Gains)/losses on investments	(182,454)	80,351
(Gains) on investment properties	–	(211,359)
(Profit)/loss on the disposal of fixed assets	(2,383)	(380,584)
FRS102 Pension adjustments (non cash)	48,000	56,000
Actuarial (gains)/losses on investments	273,000	34,000
Pension Scheme deficit payment	–	(65,000)
(Increase)/decrease in debtors	55,808	(328,340)
Increase/(decrease) in creditors	(169,329)	32,129
Net cash provided by / (used in) operating activities	(402,894)	(575,344)

25 Analysis of cash and cash equivalents

	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	635,611	(443,868)	–	191,743
Total cash and cash equivalents	635,611	(443,868)	–	191,743

26 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment and Vehicles	
	2019 £	2018 £
Less than one year	50,564	19,664
One to six years	216,985	41,392
	267,549	61,056

27 Capital commitments

At the balance sheet date, the charity had committed to £nil (2018: £nil).

28 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.