ST CHRISTOPHER'S FELLOWSHIP
(A company limited by guarantee)

REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ST CHRISTOPHER'S FELLOWSHIP
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2019

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ST CHRISTOPHER'S FELLOWSHIP
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2019

LEGAL DETAILS

Registered Name: St Christopher's Fellowship
Other names used: St Christopher's
A company limited by guarantee, registered no. 321509
Registered Charity no. 207782
Registered Provider of Social Housing no. LH1832
VAT Registration Number 740 5442 53

REGISTERED OFFICE

1 Putney High Street
London
SW15 1SZ

TRUSTEES/ MEMBERS/ DIRECTORS

The Trustees who are also Directors and members who served from 1 April 2018 up to the date of approval of these financial statements were as follows:

Joe Anichebe	(appointed 23 January 2019)
Hanif Barma	(retired 30 September 2018)
David Brown	
Angela Dakin	(Vice Chair)
Kelly Dooley	(appointed 8 May 2019)
Wadham Downing	(retired 5 September 2018)
Gill Guy-Edwards	(appointed 23 January 2019)
John Halliwell	(appointed 8 May 2019)
Daniel Hobbs	
Bert O'Donoghue	(Chair)
Sally O'Neill	
Akua Doreen Owusu-Akonor	(appointed 8 May 2019)
David Taylor	(retired 5 September 2018)
Dinesh Visavadia	(Honorary Treasurer)
Thomas Wilson	

COMPANY SECRETARY

Bert O'Donoghue

ST CHRISTOPHER'S FELLOWSHIP
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2019

PRINCIPAL STAFF

Doris Afreh MCIPD PG Dip HRM	(Director of Human Resources)
Geneva Ellis BA (Hons)	(Director of Corporate Services)
Faye Puttock ACMA CGMA	(Director of Finance)
Anne Seed	(Director of Operations–Isle of Man)
Philip Townsend BA (Hons) PG Dip HS FCIH	(Director of Operations-UK)
Jonathan Whalley	(Chief Executive)

SOLICITORS

Trowers & Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Russell-Cooke
2 Putney Hill
Putney
London
SW15 6AB

BANKERS

National Westminster Bank
16 Wimbledon Hill Road
London
SW19 7ZD

EXTERNAL AUDITORS

Beever and Struthers
St. George's House
215-219 Chester Road
Manchester
M15 4JE

ST CHRISTOPHER'S FELLOWSHIP
REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2019

I am delighted to present the Annual Report and Accounts for the year, showing an overall surplus of £344k and highlighting some of our fantastic work with the children and young people that we care for.

This has been a year of change for the organisation with the appointment of a new Chief Executive and a new Chair. Ron Giddens retired as Chief Executive after a wonderful career at St Christopher's. His contribution was enormous, and we wish him a long, happy and healthy retirement.

Hanif Barma retired as Chair in September after serving as a Trustee for 11 years. His calm and thoughtful leadership was appreciated by the organisation and his engagement and contribution were enormous. Hanif continues to contribute to St Christopher's as a member of the board of our independent school.

My thanks also extend to Wadham Downing and David Taylor, who retired as trustees during the year. This led to an evaluation of the skills that we wanted on the board and I was delighted to welcome Joe Anichebe, Kelly Dooley, Gill Guy-Edwards, John Halliwell and Akua Doreen Owusu-Akonor to the Board – they bring experience and skills in education, finance, IT, human resources and fostering.

From the summer of last year, the Board led a process supported by an external recruitment consultant to find a new Chief Executive. The outcome of this process was the appointment of Jonathan Whalley, who started with us in October. Jonathan joined us from a senior position at Barnardo's and he has a wealth of experience working with children and young people across children's social care. Jonathan has been a wonderful addition to St Christopher's and will undoubtedly take us on to greater things.

I was honoured to become Chair following Hanif's retirement and I will strive to live up to the high standards that he set.

Some of the operational successes over the past year include:

- the opening of a new children's home in Wandsworth
- the acquisition of Future Families (West Midlands) Ltd – a fostering agency
- being an integral part of the Ealing Council led Trusted Spaces pilot, funded by the Home Office providing outreach services to children and young people at risk of serious youth violence and other threats in the community
- launching the Support into Employment scheme on the Isle of Man supporting care leavers to have the skills required and gain and retain employment
- the successful re-tender of a children's home and 16+ home in North London

Sadly, we said goodbye to two 16+ homes in Camden as we were unsuccessful in our re-tender for the services and our Bedfordshire home, which transferred back to the local authority. I would like to thank the staff that transferred with the homes for their hard work and dedication whilst these homes were in our care.

Financially we have been working towards strengthening our financial position by reviewing our defined benefit pension deficits. We have been able to settle in full the deficit liabilities of two of our defined benefit schemes thereby removing the risk associated with these deficits continually growing. This has been possible as a result of the sale of two properties, which were no longer suitable for the provision of services.

ST CHRISTOPHER'S FELLOWSHIP
REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2019

Looking to the future, we have an exciting year ahead, which includes rolling out the operational delivery model to ensure we have the right people, in the right place, at the right time to achieve our Vision & Strategy. One element of that strategy is the implementation of the UK Wraparound service, which will provide a greater level of support for those in our care. This service builds on learning from our Isle of Man Wraparound service, which we have provided for some time with great success. We will also open two new one-bed homes in the West Midlands region to answer the needs of our commissioners there

To those that have supported us during the year – foster carers, commissioners, local authorities, government departments, Ofsted, volunteers and donors, thank you. Your inputs and contributions make a big difference to the work that we do.

I want to say a great big thank you to my fellow trustees who volunteer their time selflessly. Their on-going support and guidance both to me and to the organisation is wonderful and very much appreciated. And of course, thank you to the staff of the organisation, without whom we could do nothing. They often work in very challenging and stressful conditions, but I am always impressed by the manner and dedication with which they work. The care, support and love that they give to the children and young people that we look after is wonderful and I thank them most sincerely for that.

Bert O'Donoghue
Chair of Trustees

11 September 2019

ST CHRISTOPHER'S FELLOWSHIP
STRATEGIC AND BOARD REPORT
FOR THE YEAR ENDED 31 MARCH 2019

1. MANAGEMENT

AIMS AND ACTIVITIES

At St Christopher's we work in the British Isles as a charity and Registered Provider of Social Housing. We currently work in Southern, Eastern and Central England and the Isle of Man, providing services to young people in care, care leavers and those on the edge of care. Our services include foster homes, children's homes (including a secure children's home), homes for care leavers and homeless teenagers, outreach support, return home interviews for young people who run away from home, education and wraparound mental health provision. We also provide consultancy to local authorities and charities.

OBJECTS SET OUT IN GOVERNING DOCUMENT

Our objects as set out in the Articles of Association are to assist people in need, particularly children and young people and people with learning disabilities, to relieve poverty and to undertake any other charitable purpose.

Our priorities during the year continued to be:

- continual improvement in service quality to create even better outcomes for children and young people
- speeding up recruitment processes and improve retention by better staff support and progression
- improving spot purchase capabilities to meet or exceed financial and occupancy targets
- maximising asset usage to further enable and enhance service delivery
- expanding capability to respond creatively to the needs of children and young people, and commissioners, to drive growth and create more brighter futures

STRATEGIES FOR ACHIEVING OBJECTIVES

In November 2017, we started the process of setting our Vision and Strategy for 2018 to 2023. We felt it was important that the strategy properly reflected St Christopher's by being participative, aligned with our ways of working, and centred on young people. Children, young people and staff from across the organisation had their say on our strategy so that it is built upon ideas that will benefit those we work with, now and in the future.

Our three strategic aims are:

1. Create more excellent homes, fostering and support for children & young people

Children and young people have told us that it's the relationships with carers in our fostering and residential services that make their houses feel like homes. Over the five years of the strategic plan we want to offer more excellent homes to even more children in care and care leavers. We will do this by focusing on growing our residential, fostering and support to provide services to double the number of children and young people by 2023.

2. Improve emotional wellbeing

We will develop clinical therapeutic input across all of our services, so young people, carers and staff receive the expert advice and support they need, when they need it. Building on our existing strengths in attachment theory and social pedagogy, we will partner with mental health organisations to develop holistic, empowering, relationship-centred ways to improve emotional wellbeing. After successful development of the Isle of Man therapeutic services over the last four years we are using this learning to inform and develop a UK based therapeutic service.

3. Promote lifelong learning and thriving

Our staff succeed with young people who have experienced very difficult starts in life through relationship-centred, creative approaches to learning that equip them for life in the world. We will increase capacity in the education and life skills teams to support more young people to achieve. We will expand the number of care experienced people to whom we offer work experience to 5% of our workforce by 2023.

We will collaborate with young people to help make each step of their journey to independence easier, maintaining important relationships with people that matter most, whether friends, family, carers, or St Christopher's staff. We will continue to invest in training and supporting our staff to enhance learning and develop skills to promote growth and career progression.

We believe that practical experience in the direct provision of services for children and young people can usefully inform policy development for looked after children, care leavers and vulnerable young adults. Because of this we participate in appropriate consultations and other initiatives that inform the development of government policy. For example, we have been part of the Department for Education's expert group informing new practice guidance on restriction of liberty of movement following lobbying and the Safe Steps project, which has developed and assessed new approaches to looking after girls at risk of child sexual exploitation. We have also supported The Howard League for Penal Reform on their third briefing paper as part of their programme to end the criminalisation of children in residential care.

We have given evidence at the All-Party Parliamentary Group on Financial Education for Young People, with our CEO quoted in the subsequent report about the importance of making sure young people have trusted adults they can turn to when learning about these topics:

"Young people – and increasingly younger and younger – are getting involved with gang culture and county lines issues... The education they are getting about the value of money is coming all the time from the wrong side, where we do not want it to come from."

We were invited to participate in a roundtable discussion hosted by (now former) Children's Minister Nadhim Zahawi MP looking into ways to improve and monitor unregulated services as some of them are unsafe and unsuitable for young people. 16+ services like the ones we run are all unregulated, but we were very proud to talk about our own inspection framework, APEX, that we use to make sure our homes are scrutinised and monitored so that young people are getting the best care and support. The Minister was keen to introduce licences for providers but we believe that this wouldn't necessarily bring up the standard as it doesn't put services under any scrutiny.

As a charity, we aim to remain financially robust and ensure that the organisation and its activities are sustainable. This will enable the tradition, started in 1870, of providing services for children in care, on the edge of care and leaving care to continue. We also recognise that new initiatives and services can require an initial investment, prior to the services becoming financially sustainable in the longer term. Consequently, we aim to ensure we have sufficient reserves to both manage risk and develop new services.

The Council's target is that free reserves backed by cash and/or investments should, over the medium term, be maintained at four months of annual operating cost, to provide a buffer against unexpected contingencies generally and to permit the uninterrupted provision of services.

VALUE FOR MONEY

The financial environment remains difficult and there is a clear need to deliver value for money to our partner commissioners. Almost all of our services are delivered and commissioned within competitive markets, whether they are tendered contracts, framework contracts or spot purchase services. Accordingly, we have to take into account both the quality of services and their cost. Where a service is provided to a single commissioner there is scope to tailor the service to its specific requirements, subject to the ability to sustain a quality service. Where services receive placements from multiple commissioners, we define the service's specification and cost accordingly. We then keep the level of demand for the service under review.

Council seeks to ensure that our assets are used effectively to deliver services for children, young people and adults. We aim to ensure that all services we undertake are financially sustainable in the longer term, and the performance of services is reviewed in this context.

We add value to services by providing opportunities to our children and young people via grant funding and donations. For example, we have expanded our participation and life skills work in the UK through successful grant applications to BBC Children in Need and Esmée Fairbairn Foundation. The participation team improves transition experiences and outcomes for young people leaving residential care. The Book Trust has also been a great resource for St Christopher's foster carers and young people through their Letterbox Club, which provides educational, age-appropriate books for children and young people.

A successful grant application to Oak Foundation has supported our missing from care services in London over a number of years. Our missing from care team provides support for children and young people who run away from home and help for their families to address the reasons behind it.

Successful grant applications to LandAid have supported capital works to renovate two homes, one of which provides accommodation as part of the Staying Close project and a new kitchen in one of our existing 16+ homes.

The Good Gym, a group of runners who run from Richmond town centre every week and incorporate charity work into their fitness, have been volunteering at one of 16+ homes, helping maintain the garden as part of their weekly fitness and community scheme.

Fundraised donations continue to be added to an annual budget to support the "Diamond Fund" where children and young people can receive small grants to help them take up opportunities to access education, training and employment. This fund is also available for young people to take part in group activities and trips, whether it's for days out, craft sessions, cooking, sporting activities or a weekend away. It means that young people can spend time together and build positive relationships with one another, therefore developing their own support network. During the year the Diamond Fund has funded amongst other things film equipment to make a music video, a tablet to complete the graphic design for a logo and start up a hairdressing business, swimming lessons, a lifeguard course, a passport, a mannequin for dress making, fabric for making new curtains, driving lessons, a bike, boxing and gym equipment for developing fitness at home and some reading glasses to help fulfill potential at school.

Fundraised donations also enable us to provide a "Welcome Pack" gift to our children and young people when they are first placed with us. As part of St Christopher's commitment to helping every young person settle in to living with us, we provide a voucher so they can buy items to personalise their room and make it feel more homely. This is also an opportunity for young people to be trusted to buy something that helps them feel safe, comfortable and welcome.

Individual donor's generously provided funds which gave our young people the opportunity to host an art exhibition in January 2019. Young people worked alongside staff to design their pieces, set up the exhibit space, and invite their friends and family along to the show. Co-production is integral to St Christopher's practice; by giving young people control over things that they care about, they can learn new skills and start to recognise the positive difference they can make in their communities. This was a brilliant opportunity for our young people to showcase their talents to the community and recognise the value that they bring to the world.

In December, we received lots of generous donations of Christmas presents, and donations to make Christmas special for our children and young people.

St Christopher's is grateful for the generosity of funding and time from grant funders, donors and volunteers that enables us to add value to the services that we provide our children and young people.

VALUE FOR MONEY METRICS

The Regulator of Social Housing issued the new Value for Money ('VfM') Standard on 9 March 2018 together with a Code of Practice. Value for Money metrics was introduced for reporting periods up to 31 March 2018 and aims to provide an agreed set of metrics for housing associations which compare performance and provide a value for money check.

Social housing is one small facet of the work that St Christopher's does, with social housing lettings making up just 1.8% of our Group turnover in the year over 71 bed spaces. We are therefore impacted by the smaller margins for supported housing as opposed to general needs as well as not having the economies of scale accessible.

	2019 Group	**2019 Parent**	**2018 Group**	**2018 Parent**
Business Health				
Operating Margin (social housing lettings)[1]	(41%)	(41%)	(48%)	(48%)
Operating Margin (overall)[2]	(9%)	(12%)	1%	1%
EBITDA MRI Interest Cover[3]	(30,363%)	(28,774%)	2,507%	2,125%

1 Social Housing letting operating margin as a percentage of turnover

2 Overall operating margin as a percentage of turnover

3 Operating surplus/(deficit) less interest, taxation, depreciation, amortisation plus major repairs divided by interest capitalised, interest payable and financing costs.

The social housing operating margin improved in 2019, although still a negative. The issue with voids noted last year has improved overall with a reduction in voids from £106k in 2018 to £74k in 2019.

The overall operating margin has declined from a positive 1% last year to a negative 9% this year. The delays in opening two new children's homes have had a large impact on the financial results, as well as the conclusion of two contracts for residential services. In addition, the operating costs include the cessation costs for two defined benefit schemes, as detailed in note 24.

St Christopher's has no long or short-term debt, therefore has no interest accruing other than the interest on the recycled capital grant fund and in the prior year interest payable related to the LPFA defined benefit pension liability. This liability was settled in full during the financial year.

The negative percentage is due to the defined benefit pension cessation charges included in operating expenditure. This is offset in the overall result by the profit on the sale of two properties within the year.

	2019 Group	**2019 Parent**	**2018 Group**	**2018 Parent**
Development - Capacity & Supply				
New Supply Delivered (Supported Housing)[4]	0%	0%	5%	5%
New Supply Delivered (Non-Supported Housing)[5]	0%	0%	0%	0%
Gearing[6]	(88%)	(57%)	(72%)	(37%)

4 Total social housing units developed or newly built divided by total social housing units owed at the end of the financial year

5 Total non-social housing units developed or newly built divided by total non-social housing units owed at the end of the financial year

6 Short and long-term loans, cash and cash equivalents, amounts owed to group undertakings and finance lease obligations divided by tangible fixed asset housing properties at cost.

No new units had been planned within the financial year.

The gearing percentage is negative as St Christopher's Group and Parent currently has no long or short-term debt and the Parent holds more in cash than is owed to its subsidiary undertakings.

	2019 Group	2019 Parent	2018 Group	2018 Parent
Effective Asset Management				
Return on Capital Employed[7]	2%	4%	16%	20%
Operating Efficiencies				
Headline Social Housing Cost Per Unit[8]	£7,128	£7,128	£8,507	£8,507
Investment				
Reinvestment efficiency percentage[9]	3%	3%	9%	9%

7 Overall operating surplus/(deficit) plus gai/(loss) on disposal of fixed asset housing properties divided by total assets divided by current liabilities.

8 Social housing costs (management charges, service charge, routine maintenance, planned maintenance, major repairs expenditure, lease costs, capitalised major repairs costs for the period) divided by social housing units owned and/or managed.

9 Development of new properties, new properties acquired, works to existing properties and capital interest divided by tangible fixed asset housing properties at cost.

The return on capital employed includes the £1.9m profit on disposal of properties, offset by the two defined benefit cessation charges. This is a decline on last year's position, again due to delays in opening two new children's homes and the conclusion of two contracts for residential services.

The headline social housing cost per unit has reduced compared to the prior year due to a programme of cyclical maintenance works that was introduced in 2018, as well a higher value of major repairs in 2018. There have been major repairs work at one social housing home to replace all of the windows in this financial year. Whilst in 2018 there was major development of two properties.

The reinvestment efficiency percentage has decreased from the prior year as a new property was purchased in 2017/18 but no new properties were purchased in the current financial year.

The Value for Money metrics were also reviewed against budgeted targets, as well as an average of the 2017/18 results for peers. The group of peers were chosen for either their similarity to the breadth of work with children and young people or their number of units.

The peers chosen were Centrepoint Soho, Look Ahead Care and Support Limited, St Mungo's Community Housing Association and YMCA – St Paul's Group for similarity of breadth of work and Chisel Limited for comparative small size of a housing association.

	2019 Group	**2019** Budget target	**2018** Average of peers
Business Health			
Operating Margin (social housing lettings)	(41%)	(7%)	7%
Operating Margin (overall)	(9%)	1%	3%
EBITDA MRI Interest Cover	(30,363%)	1,655%	1,139%

The Operating Margin for social housing lettings is a greater loss than budgeted and a negative versus peers as a result of far higher voids costs in actual results, as well as increased cost of planned maintenance.

The overall operating margin is greatly affected by the inclusion of cessation costs for two defined benefit schemes, which was not included in the budget. The overall operating margin reduces to (1%) if the pension cessation costs are excluded, with the remaining difference to budget relating to the delays in opening two new children's homes and the conclusion of two contracts for residential services. The overall operating margin for peers is an average of 3%, but this reduced to (1%) if Chisel Limited is removed. Chisel Limited was chosen as a similar sized small housing association. However, its provisions are general needs rather than supported housing and the margins for general needs are higher than supported housing.

The large negative percentage for EBITDA MRI interest cover is again affected by the defined benefit pension cessation charges included in operating expenditure. If this cost is removed the underlying interest cover is 5,178%, which outperforms budget and peers. It should be noted that St Christopher's has no long or short-term debt, therefore has no interest accruing other than the interest on the recycled capital grant fund and in the prior year interest payable related to the LPFA defined benefit pension liability, which has been settled within the current financial year.

	2019 Group	**2019** Budget target	**2018** Average of peers
Development - Capacity & Supply			
New Supply Delivered (Supported Housing)	0%	0%	2%
New Supply Delivered (Non-Supported Housing)	0%	0%	0%
Gearing	(88%)	(97%)	26%

St Christopher's had no plans to deliver any new supply in the year, with 3 of the peers also not increasing their supply.

The gearing percentage is negative as St Christopher's currently has no long or short-term debt. This is in line with budget and with both Centrepoint Soho and St Mungo's Community Housing.

	2019 Group	**2019 Budget target**	**2018 Average of peers**
Effective Asset Management			
Return on Capital Employed	2%	1%	1%
Operating Efficiencies			
Headline Social Housing Cost Per Unit	£7,140	£3,450	£5,242
Investment			
Reinvestment efficiency percentage	3%	0%	1%

St Christopher's return on capital employed was budgeted to be in line with the average achieved by peers in their 2018 results. Whilst the actual result has been negatively impacted by defined benefit pension cessation cost, delays in opening two new children's homes and the conclusion of two contracts for residential services, this has been offset by the profit on the disposal of two properties in the year.

The headline social housing cost per unit is higher than budgeted as the major repairs in 2019 were not part of the budget cycle. The actual cost is higher than the average of peers, however the it is lower than the two of the five peers individually. Peers that have achieved a more efficient cost per unit have done so based on their greater scale or from the reduced cost of maintenance associated with general needs compared to supported housing.

2. OPERATING ENVIRONMENT

The current fiscal environment remains such that local authorities in England as well as the governments of the United Kingdom and the Isle of Man continue to face financial constraints and a need to reduce expenditure; this is expected to continue for the for foreseeable future. Whilst many of the services that we provide fulfill statutory obligations of local authorities and the Isle of Man government, this does not exempt them from a requirement to demonstrate value for money. We are committed to working with our commissioning partners to ensure that services remain relevant to both their needs and those of children and young people.

We recognise that the constrained financial regime can lead local authorities to be cautious about committing to medium and longer-term commissioning arrangements, where they have uncertainty about their future level of demand for services. Consequently, over the last 5 years we have expanded our service offer to include services which can be accessed and paid for as and when required.

We have also seen some commissioners aiming to increase the amount of fostering services that they directly provide. This has had the effect of increasing the competition in a market where local authorities are simultaneously, a commissioner of, and a competitor with, St

Christopher's. Other local authorities have sought to respond by increasing partnership working and we have been proactive developing such partnerships.

RISK MANAGEMENT

We have a risk management policy and an ongoing process for identifying, evaluating and managing the significant risks that we face. These are recorded in our strategic risk register. Risks are assessed for their likelihood and potential impact and Council focuses its work on those risks which are identified as most significant. Disaster recovery scenarios have been considered and contingency plans are in place.

For all significant risks the potential to mitigate risk is considered and proportionate, action is taken. A wide variety of strategies are used to mitigate risk. These include: seeking to mitigate risk through appropriate policies, procedures and controls, spreading risk through ensuring sufficient diversity of activity and commissioning partners, seeking to lay off risk through contract negotiation or insurance. Council has considered the risk of fraud and has adopted an anti-fraud policy. In evaluating new projects, Council assesses risk and will not proceed with projects where the risks are disproportionate to the benefits offered to our children and young people or our organisation as a whole.

The strategic risk register is reviewed by the Senior Leadership Team on a quarterly basis, by the Audit & Risk Committee three times a year and by the Council twice a year. During the financial year the strategic risk register was subject to a further in-depth review to ensure that all major risks were captured and duplications removed. The major risks that we face and that are recorded in the strategic risk register are:

- Recruitment and retention of suitable staff: Almost all of our services are for the provision of social care and as such, the qualification and dedication of the front-line staff delivering the services has a real impact on the outcomes for our children and young people. We recognise that the nature of the work undertaken by our staff is challenging and the necessity of shift work in many services limits the pool of potential staff. The limited availability of experienced and qualified staff has the potential to be a risk to the organisation. While this is particularly acute in London, it is not solely a London problem. We seek to mitigate this risk with robust recruitment procedures that are honest about the nature of the work and through investment in training and development. This enables those with aptitude, but without necessary formal qualifications to obtain them and through investment in a trainee program for managers.

- Impact of Brexit: This poses a number of risks to the organisation from domestic policy delays, whereby government focus is elsewhere resulting in slow changes in policy and innovation to changes within the labour market. There is a potential loss of existing non-UK workforce, which will in turn shrink the pool of potential applicants in the short term. The economic uncertainty and decline could result in further savings to be made by local authorities and possible failure to deliver statutory services.

- Under occupancy and lower occupancy levels: This is particularly relevant within our spot purchase services where low occupancy levels result in the service being financially non-viable. We mitigate against this risk by having a placements team dedicated to making placements, maintaining active and positive relationships with commissioners, keeping placement fees under review, active marketing, value for money, maintaining high quality and keeping individual services under review, taking remedial action when required.

- A failure of safeguarding: As we work with children and young people, safeguarding is central to both the organisation and the delivery of services. We seek to mitigate this risk with a many-layered approach. This includes appropriate recruitment and checking of staff, training, organisational policies and procedures, ensuring our children and young people know how to raise any concerns, investigating all concerns thoroughly and in full co-operation with OFSTED and relevant local and national authorities, and creating an open culture towards whistleblowing if staff have concerns.

- Ineffective external focus: Our response to the change in commissioners' requirements, by being prepared to offer services on a spot basis, along with the increasing importance of fostering to the Group, has meant that there has been a progressive change in the skills required within the organisation. This has been addressed via training of existing staff and recruitment of new staff. We also recognise the need to balance the values of social care and pedagogy with the commercial requirement to thrive in an environment with many private sector competitors.

- Health & Safety: We have reviewed and renewed our Health & Safety policy over the past two years. The Responsible Individual has established a new Health and Safety Committee which educates the management and Trustees on the severity of non-compliance and updates Council quarterly. There is good transparency around compliance with safety checks and controls in place and better correlation between risk assessment and actions that need to be taken.

- Poor or inadequate compliance or governance: We operate within a highly regulated environment. At an organisational level the lead regulator is the Regulator of Social Housing although many of our activities fall under the remit of the Charity Commission, Ofsted and Registration and the Inspection Unit on the Isle of Man. The majority of our activities are not social housing. We therefore, recognise that there are risks that the Regulator of Social Housing, in developing regulation designed to protect social housing, may legitimately develop rules and standards which create restrictions upon our activities. We seek to manage this risk by keeping up to date with proposed regulatory changes, assessing their potential impact and evaluating our options within and outside this Regulatory regime. We keep innovation under review, engage in open discussion with key stakeholders and take appropriate specialist advice to mitigate this risk.

- Service Failures (including Central Services): As with all businesses, we have an increasing number of IT systems that are used to aid and streamline the recording and monitoring of information that needs to be collected and processed. The failure of any or all of these systems, whether accidental or malicious, would seriously impact on our ability to provide our services. We seek to mitigate the risk by using external expertise where needed to review and audit our IT provision. Organisation-wide business continuity plans are in place and reviewed annually to provide guidance and structure in the event of a service failure.

- Failure to achieve the strategic plan: Failure to deliver projects on time can result in delay, inflated costs and reduced income. We have a range of strategies to respond to these risks which include: monitoring the operating environment of other providers, ensuring that the organisation has access to specialist skills (internally or externally commissioned, as appropriate) and seeking to develop services in partnership with commissioners who are likely to utilise the services, whilst recognising that where commissioners provide direct services they can also be competitors. The inability to measure the progress and outcomes of our work is also a risk as we are therefore not able to demonstrate whether the plan has been achieved and what the impact of our work has been.

EMPLOYEE ENGAGEMENT

We recognise the importance of good, appropriate relationships between staff and our children and young people and believe that the stability of such relationships contributes significantly to positive outcomes for individuals. As such, we consider that a well-motivated, stable and skilled workforce is central to achieving good outcomes for our children and young people and the organisation.

We use a range of strategies to communicate with employees in a timely basis, these include: regular blogs by the Chief Executive, ChrisNet (our intranet), regular Trustee and Senior Leadership visits to services, staff conferences, and a cascade of information to employees following structured managers meetings. All staff continue to be involved in the development of the annual plans for their service and take part in service reviews, as well as participating in a range of individual projects.

Our Brighter Futures Group are a result of an Appreciative Inquiry method used to complete feedback on positive experiences working at St Christopher's and the factors in place to make those experiences work. The Groups are made up of representatives from every service. Representatives from each team take the views and ideas from their colleagues about what we could do better to quarterly regional Brighter Futures Group meetings. Groups are non-hierarchical and provide opportunities for collaborating on activities across services and regions.

Brighter Futures Group have been instrumental in a number of changes in the year, including:

- Launch and shaping of UK-based therapeutic service
- Life space fund created to make our services more homely and welcoming for young people
- Improved induction and practitioner training for staff
- Localised training for staff in the Midlands
- Working visits to the UK for long-serving Isle of Man staff to share best practice
- Piloting new ways of flexible and part-time working for residential staff
- Improvements to sick pay policy
- Increased support for staff studying for work-related qualifications
- Implementation of Staying Close plans for keeping in touch with young people who move on

As a result of consultation with staff via various forums, including our Brighter Futures Group and the annual staff survey, a number of enhancements were made to employees' overall benefit package from 1 April 2018 building on the re-introduction of incremental pay scales from 1 April 2017. This included the re-introduction of enhanced maternity and paternity pay, increases in auto enrolment employer contribution, discretionary training funds, merit award pot and a two-tiered cost of living increase of 2% to staff on less than £45k per annum and 1% to those on more that £45k per annum.

Pay and benefits remain under constant review and from 1 April 2019 further increases in the auto enrolment employer contribution were rolled out to shield employees from the impact of the increase from a total contribution of 5% to 8%. Again, the annual cost of living increase was tiered with employees on less than £45k per annum receiving a 2% increase and those on more that £45k per annum receiving a 1% increase.

In addition, enhanced overtime rates were introduced, on-call payments are due to be rolled out prior to the end of the 2019-20 financial year and driving loans are now available for staff across the organisation, allowing employees to spread the cost of learning to drive over up to 12 months.

Our organisation's commitment to social pedagogy remains at the heart of how we work and embedding it has seen many operational staff, the Senior Leadership Team, foster carers and external partners undertaking extensive training in this discipline since its introduction. The enthusiasm with which this approach has been adopted by staff reinforces the view that the investment is money well spent. All new operational staff now receive this training as part of their induction training completed within the first six months of their employment with us.

Without dedicated, skilled and passionate staff and foster carers, there would be no St Christopher's. We are only able to make a difference to the lives of children and young people because of the love, the skills, the knowledge, the professionalism and the commitment that we provide. Because of this, we are continuing to invest in more training and development opportunities.

3. ORGANISATIONAL PERFORMANCE

ACHIEVEMENTS AND PERFORMANCE

Recruitment and retention of operational staff within the UK continues to be a challenge. Staff turnover, particularly in London children's homes, remains high in common with the sector generally. In response to feedback from staff and leavers, we are continuing to focus on improving the experience of working at St Christopher's via four areas:

- Improving organisation culture/management and leadership: This has included increasing the involvement of managers and staff in key decisions that affect their areas of work and improving communication and transparency in decision making more broadly.

- Review of terms and conditions: St Christopher's is committed to ensuring an organisational culture which values staff well-being and work-life balance. We have begun to refine and enhance "family-impacting" policies such as parental leave and sickness policy. Two additional days annual leave after three years of service has been introduced and existing staff benefits such as the Cycle to Work scheme, season ticket loans and driving lesson loans are being reviewed and promoted.

- Staff development and succession planning: Plans to ensure that there are individual development plans for staff to provide opportunities for progression and development, including internal secondment, "acting up" and management training are ongoing. A further discretionary budget has been made available for staff to apply for funding for external courses to develop specialisms and increase individual and organisational skills.

- Incremental pay: Incremental pay scales for all operational posts up to and including Team Leader were re-introduced from April 2017, with clear criteria, timescales and gateways for progression.

The problems experienced with recruitment and retention were compounded in previous years by the average time taken to recruit new staff. A new application tracker system has been introduced to reduce the previous levels of manual processing of applications, which is supported by an automated on-boarding system as well as an additional member of administration staff in the People team. Alongside this the interview process has been reviewed and updated and operational staff now complete assessment days as part of the process to ensure a good understanding of what the role entails prior to joining the organisation.

We are continuing to grow our team of Carebank workers who provide provides a flexible staffing cohort to help cover staff vacancies, annual leave and sickness who understand St Christopher's values and ways of working whilst providing flexible working for our workers in that team.

Recruiting the right staff and retaining them remains central to discussions at both Senior Leadership meetings and Wider Management Team meetings, as well as with the Board of Trustees. Current initiatives involve piloting part time roles and trialing different rota models.

Further, we recognise the difficulties that our staff face working directly with children and young people, who have experienced significant trauma, abuse and chaos in their lives. Whilst the work can be extremely rewarding, staff need support dealing with this vicarious trauma. We have an established Wraparound team in the Isle of Man, who are led by a Therapeutic Manager. The Isle of Man Wraparound team provides invaluable therapeutic input for the children and young people, staff teams and employees on an individual basis if needed. We are delighted to have appointed a Therapeutic Manager in the UK who will be looking to define the UK service offer and grow a team to be able to provide a UK wide therapeutic offer to children and young people and staff. The Isle of Man and UK Therapeutic Managers will be working together closely to share learning and ideas for future development.

Our children's homes in the UK are inspected annually by Ofsted and of our 8 homes, one newly opened home has yet to be inspected, four are rated as "Good", one is rated as "Outstanding" and two are rated as "Requires Improvements to be Good". Our two homes rated as "Requires improvement to be good" are working hard with the local authorities and Ofsted to address the issues. Our two UK registered fostering services are inspected every three years by Ofsted, and both are rated "Good". Our UK school, Allen House Independent School, situated in one of children's homes had its first Ofsted inspection during the year and was rated as "Good". UK 16+ homes are not regulated and therefore do not require an inspection visit. St Christopher's believes strongly that this area of support, care and accommodation for young people should be regulated to ensure that high standards are expected and therefore providers are accountable for unsafe provisions. During the year we used an external inspector to review our 16+ homes in the UK based on Ofsted inspections. The findings were reported to Council and are being used as a basis for recommendations for homes going forward and sharing learning of best practice.

The Isle of Man children`s homes are inspected by the IOM Registration and Inspections Unit within the Isle of Man Government and all achieved "substantially compliant" or "compliant". The 16+ semi-independence homes are also inspected by the Registration and Inspections unit and are "compliant". Cronk Sollysh, our secure unit, is inspected by the Government Registration and Inspections Unit and is also "compliant

The Senior Leadership Team allocate time to meet on a quarterly basis to reflect on all Ofsted, Inspection Unit and 16+ APEX reports, positive or negative to increase the learning that can be taken and applied across all our services.

We continue to develop our apprenticeships offer for young people leaving care. In the financial year we employed 2 care leavers on the Isle of Man and 1 in the UK as apprentices. We are looking at expanding the scheme but at a controlled pace to ensure that we are able to implement our learning from the current cohort. We are also developing our work experience opportunities for young people, which included a three-month traineeship within our Administration department in our Central Services office in Putney and work experience in the Finance department during the 2018 summer holiday.

The learning from providing apprenticeships, traineeships and work experience has all fed into the new Support into Employment scheme on the Isle of Man. Dedicated support workers are available to support care leavers on the Isle of Man to learn the right skills they need for the workplace and to find jobs doing something they enjoy and that they can sustain. The team provides employability skills sessions to care leavers and get to know their interests and career plans. Then, through partnerships they have built with local businesses and government departments, they set up shadowing days and work experience so that young people can try out different areas of work that they are interested in. These opportunities can lead to more formal work placements, volunteering, apprenticeships, or even paid work.

What makes this scheme different is that the team also support the employers so that they are more understanding of the issues care leavers experience and show them how to help the young person learn, develop and thrive at work, without feeling overwhelmed by any setbacks or challenges that crop up. This means the work placement is less likely to break down because there is an advocate working with both sides to make it a success.

We were awarded funding of £585,000 from the Department for Education's Innovation Programme in July 2017 to pilot a new Staying Close initiative. It commenced in late 2017 with the appointment of the Project Co-ordinator and Participation Assistant. In January 2018 we opened a recently refurbished property to provide 4 rooms for young people to move to when ready to move on from their residential placement thanks to a grant from LandAid. Staying Close is a new initiative aiming to improve the experiences of young people moving from children's homes to independence. It helps young people focus on the importance of retaining relationships and support with the important people in their lives and shape the on-going support and care that matters most to them.

We have been awarded £792,000 for two years of funding from the Home Office Trusted Relationships fund designed to support young people at risk of Serious Youth Violence and other threats in the community. In partnership with the London Borough of Ealing, we are setting up a project to work with hundreds of young people across the borough who are at the highest risk of exploitation, whether this is through gang involvement, child sexual exploitation or county lines.

We were awarded a three year contract by Wandsworth Borough Council to run their new children's home, which opened in November 2018. The home has been extensively renovated by the local authority after consultation with young people in care. The nine bed home will be used as a six bed service with two emergency spaces and a care leaver flat.

We also opened a new 4 bed home, Phoenix House, in the year. The home is situated in the West Midlands and forms part of our strategy to have a service offer that provides local authorities with access to 1 bed homes for children with the highest needs, with the ability to progress to a geographically close 4 bed home when the child is ready, with a key worker able to transfer to the 4 bed home if also needed to help the transition. Work is in progress developing the first 1 bed home in the region, with plans for it to be open in January 2020 and a second 1 bed home to be open in April 2020.

Also based in the West Midlands is Future Families (West Midlands) Ltd, an independent fostering agency that we purchased in July 2018. The foster carers and staff that are the heart of Future Families were worked with closely throughout the acquisition period to reassure them through this period of change. The foster carers then transitioned from Future Families to St Christopher's via three additional panel meetings held at the end of 2018 and the three staff members were transferred via TUPE from 1 February 2019. These foster carers and staff are now an integral part of our St Christopher's West Midlands fostering region.

FINANCIAL REVIEW

The results for the year have been prepared in accordance with the Statement of Recommended Practice for registered housing providers: Housing SORP 2014. On this basis and comparing to 2018 figures, prepared on the comparable basis, turnover increased to £17.8 million (2017: £16.3 million). £1.3m of the increase relates Children's Services which includes the growth of fostering as a result of the acquisition of Future Families (West Midlands) Ltd, as well the opening of a new children's home in Wandsworth in the year and a full year of results for our children's home with a registered school onsite, opened in January 2018.

We undertook a review of our properties strategy during the previous year which resulted in 5 properties highlighted as no longer suitable for the provision of our services, due to their configuration, their location or both. Three were sold in the previous financial year with a profit on disposal of £2.1m being realised. The last two properties were sold in May and June of 2018 and produced a profit on disposal of £1.9m recognised in the current year financial results. The sale of these two properties concluded our property review. All properties were surveyed and sold in compliance with Charity Commission requirements.

These surpluses have been used in the current year to strengthen the Statement of Financial Position by withdrawing from the Local Government Pension Scheme administered by London Pension Fund Authority (LPFA) and the Social Housing Pension Fund administered by TPT Retirement Solutions (SHPs). Both defined benefit schemes carried deficit liabilities. The LPFA cessation deficit of £1,315k was settled in October 2018. The SHPs cessation deficit of £854k is based on a withdrawal date of 31 March 2019 and is due to be settled in due course.

No separate Statement of Comprehensive Income for the parent company has been presented, as permitted by section 408 of the Companies Act 2006. The result for the year of the parent company was a surplus of £432,000 (2018: £2,450,000).

An investment strategy was formulated in the previous financial year and after competitive tender, Tilney Investment Managers were appointed to assist St Christopher's in gaining a better return on its surplus-to requirements cash balances. Our Trustee, Wadham Downing, is employed as the Chief Finance Officer at Tilney Investment Managers but due to his connection he was not involved in the selection process. He did not benefit from the arrangements there and retired from his St Christopher's trusteeship on 5 September 2018. No money has been invested to date.

The Statement of Financial Position remains stable with an increase in cash position from £5.5m, to £6.2m, and tangible assets held at historical cost with a net book value of £9.0m. Reserves have increased slightly from £8.9m to £9.2m as a result of the profit on the sale of two properties offset by the defined benefit pension cessation liabilities. The Council's target is that free reserves backed by cash and/or investments should, over the medium term, be maintained at 4 months of annual operating cost, to provide a buffer against unexpected contingencies generally and to permit the uninterrupted provision of services. The reserves policy is reviewed on an annual basis to ensure that it remains relevant to us and the environment we operate in.

The principal sources of funding are received from statutory authorities for services delivered under contracts, either in respect of children's services or for Supporting People. Other services such as fostering, some children's residential placements, and some services for young people aged 16 plus are paid for by local authorities and national governments as they are commissioned. We also receive income from rents and service charges payable by individual tenants, often out of Housing Benefit.

We have expanded our residential services to include homes that can be accessed and paid for as and when required, in response to the financial constraints that local authorities are under in medium term commissioning arrangements. These spot purchase residential services provide a greater number of local authorities access to place children and young people with us. However, we bear the risk if occupancy levels fall below a financially sustainable level. Occupancy levels are recorded and monitored on a weekly basis so that remedial action can be taken in a timely manner.

PLANS FOR FUTURE PERIODS

We have been working on detailed plans for bringing the three strategic aims of the Vision & Strategy to life. The plans include:

Operational Delivery Model

A comprehensive review of the organisation was undertaken to ensure that we have the right people, in the right place, at the right time. This has resulted in several new posts being created to allow the capacity for the growth built into the Vision & Strategy to be achieved.

Children's homes

Within the 2019/20 financial year, a new one bed children's homes are planned to be opened in January 2020, with a second due to open in April 2020. Both homes will be in the West Midlands region and will offer local authorities access to 1 bed homes for children with the highest needs, with the ability to progress to a geographically close 4 bed home when the child is ready, with a key worker able to transfer to the 4 bed home if also needed to help the transition.

Fundraising

We are expanding out fundraising capacity in order to continue or increase the value added work that we undertake such as:

- the participation and life skills work funded through BBC Children in Need and the Esmee Fairbairn Foundation,
- the missing from care work supported by Oak Foundation,
- the capital expenditure on our homes funded by LandAid.

UK Wraparound

Following the setup, development and expansion of the Wraparound service on the Isle of Man over the last four years, plans are in place for a UK Wraparound service to ensure all our services have access to in-house therapeutic input. A UK Therapeutic Manager has been appointed and has been working closely with our Isle of Man Therapeutic Manager to share learning and experience, with the aim of UK service being able to match the fantastic work that the Wraparound team provide on the Isle of Man.

4. STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

St Christopher's Fellowship is a company limited by guarantee and is governed by its Articles of Association. It is a Registered Charity and also a Registered Provider, with the Regulator of Social Housing.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Our trustees, who are the legal directors of the company, are collectively termed the Council and are elected by the members of the company. They serve for a three-year term, after which they are eligible for re-election. Trustees can normally serve for a maximum of three such terms. Council elects the Chair, the Vice-Chair and the Honorary Treasurer from amongst its members; these posts are referred to collectively as the Honorary Officers. Our previous Chair, Hanif Barma, had served 11 years as a Trustee. Following his appointment as Chair, in 2015, his term was twice extended by one year in 2016 and 2017 to provide stability at a time of change. Having served the additional three years agreed by Council, Hanif stepped down in September 2018. Bert O'Donoghue, our previous Vice Chair, took over the position of Chair, whilst Angela Dakin was elected to the position of Vice Chair.

Five new trustees were recruited during the year using the services of a sector specialist recruitment consultancy. This followed a skills audit undertaken by the Council's Nomination Committee which identified the need for greater experience of children's services and commissioning on the Council. In making new trustee appointments, Council endeavours to ensure that it is representative of the communities and individuals it serves. New trustees are provided with an induction programme and training opportunities are available to trustees to help them meet their responsibilities. Succession planning for trustees is followed and considered by the Nomination Committee.

In July 2017, a new Charity Governance Code was issued to provide a clear set of governance standards which charities and their trustees can aspire to and work toward. A gap analysis of the Charity Code of Governance was carried out in January 2018 and considered by Council. This concluded that we are compliant with the code although it has highlighted areas that could be brought to a higher standard or are currently work in progress. Following the analysis, it was been agreed by the Council of Trustees to adopt the new Charity Code of Governance endorsed by the Charity Commission. Confirmation of the adoption of the Charity Code of Governance and an updated gap analysis are completed on an annual basis.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Council met seven times in the last year and held an additional two strategic away days. Council is responsible for:

- strategic direction and policy
- approving the business plan and related budgets
- monitoring performance against plan and budget
- approving of projects or contracts with an annual value of more than £100,000
- overseeing the principal risks we face has given consideration to the major risks and has satisfied itself that there are appropriate strategies in place to manage those risks

Matters not reserved for decision by Council are delegated either to one of the committees which report to Council or to the Chief Executive and Senior Leadership Team.

The principal committees which report to Council are as follows:

- The Audit & Risk Committee which reviews the annual accounts before submission to Council, considers matters related to the external audit and reviews the strategic risk register in detail.
- The Remuneration Committee which has responsibility for determining the remuneration of the Chief Executive and the rest of the Senior Leadership Team
- The Nomination Committee which reviews board composition and succession and oversees the recruitment of new trustees.

PARTICIPATION

Children and young people are central to everything we do. We provide them with opportunities to be involved in decision-making, from helping to shape new services and their own homes to interviewing new members of staff. Our participation approach gives young people the power to shape both the way they are involved and the outcomes of their involvement. These experiences boost self-esteem and equip young people with the essential transferable skills they need for the future. Using a social pedagogic framework in our practice means there are opportunities for young people to have their say every single day.

Over the last year the participation team has deepened their approach to supporting children and young people to be involved in things that are important to them. The starting point for this has been listening to what they want to be involved in and the ways that they want to be involved. This is truly young people led. We are not consulting young people on ideas that they have but asking them what is important to them and working with them to effect change in these areas.

Examples of this include young people sharing the different ways that they can feel safe in their homes and the participation team working with them and the staff in their homes to make changes to support that. Young people have shared that they feel safer in their homes when they know who is on shift. In response to this homes have created ways of displaying rotas. Teams have also added tasks to the handover to send a text to young people to let them know if an agency member of staff will be working on a shift and giving them an opportunity to come and meet the agency member of staff together. One young person who was involved in this initiative said:

"it has changed how the home is, people talk more, you feel more included but I think doing this (participation) has helped me too - it made me realise St Christopher's listens so when I am worried I say something "

Young people have been involved in organisation wide endeavours too. One group worked hard to understand the role of a Chief Executive and created a series of activities designed to assess leadership qualities. These activities were used as an integral part of the recruitment for a new Chief Executive in 2018. They also contributed to last year's impact report by interviewing people for the report, writing content and reviewing the final design.

Our biggest participation endeavour of last year was our first St Christopher's art exhibition where over a period of months all of the homes created pieces to be displayed at our St Chris art exhibition, an idea that was born from young people who wanted a chance to show themselves as something more than 'a child in care'. The exhibition was organised and curated by young people and had staff and young people come together to have their pieces displayed and get to know each other and make connections over an evening of art.

Participation is one of the core elements to our approach. We actively involve young people in experiences, opportunities and decisions about how to make their lives better. We see young people not as adults in waiting, but as experts on their own lives who we can learn from.

We were pleased to be able to expand our participation work over the last few years, following funding from BBC Children in Need, the Department for Education Esmée Fairbairn Foundation.

SUBSIDIARIES

During the year St Christopher's Fellowship (the parent) had two active subsidiaries, St Christopher's (Isle of Man) and Future Families (West Midlands) Ltd and one non-trading subsidiary, SCF Services Limited. The St Pancras Foundation, which had been a non-trading subsidiary, was dissolved on 26 March 2019. These three companies collectively form the St. Christopher's Fellowship group. The governing body of both of these subsidiaries includes trustees of St Christopher's Fellowship (plus others). The trustees of St Christopher's (Isle of Man) include Manx residents.

On 20 July 2019 a share purchase agreement of Future Families (West Midlands) Ltd was completed from Future Health and Social Care Association CIC. Future Families are an independent fostering agency in the West Midlands. The purchase of Future Families (West Midlands) Ltd has doubled our fostering provision in the region and we are delighted to be able to welcome the Future Families staff, foster carers, children and young people to the St Christopher's family.

5. PUBLIC BENEFIT

Since 1870 St Christopher's has been working with socially excluded people to help them achieve their full potential. In undertaking both new and existing activities, Council is at all times mindful of the objectives of St Christopher's to relieve poverty and assist people in need, particularly children and young people. Whilst the work of St Christopher's encompasses many projects in the United Kingdom and the Isle of Man, the common characteristics of all this work are that it is for those at the margins of society, is centred on their needs and is of genuine public benefit.

Where individuals benefit from the work of St Christopher's, there is a clear link between them and the aims of the organisation. Given the size of St Christopher's, services are necessarily subject to some geographic restrictions, but otherwise access is based on need.

Only accommodation-based Housing and Support services, which provide personal services, are subject to charges at an affordable rate, all other services are free to young people. Where charges are set, to ensure that those in poverty will not be excluded from access to services, these are determined on the assumption that young people's income could be limited to state benefits.

The work undertaken by St Christopher's is solely for the benefit of our children and young people and as such it is not considered that there are any private benefits provided by the organisation. St Christopher's has concluded that there is no significant detrimental impact from its work.

As a public benefit entity St Christopher's has applied the public benefit entity "PBE" prefixed paragraphs of FRS 102.

6. VOLUNTARY DONATIONS

In addition to statutory funds and rental income, we receive voluntary donations from both grant making trusts and individual donors. These funds enable the organisation to provide an extra dimension to the services and support we offer young people. Council is very grateful for the voluntary funding received through grants or donations that supports this work.

7. COMMITMENT TO EQUALITY AND DIVERSITY

St Christopher's recognises the breadth of contribution that can be achieved by employing a diverse work force and ensuring equality of opportunity. In addition, we understand the importance of equal access to services for all children and young people who are potentially in our care. We comply with both the spirit and the requirements of the Equalities Act 2010.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, where possible reasonable adjustments are made to ensure that their employment with St Christopher's continues. It is the policy of St Christopher's that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Regular monitoring of the profile of our children and young people, employees and trustees is undertaken. Where any group is identified as under-represented strategies are put in place, both at an organisational and at a local level, with the objective of correcting any under representation. An annual review of performance against targets is undertaken and reported to Council. Regular reviews of our recruitment and other staff related procedures take place to ensure compliance with the Act.

The UK became one of the first countries to require mandatory reporting on the gender pay gap as the government want to eliminate any disparity. In April 2018 private, public and voluntary sector employers with 250 or more employees were required to publish their gender pay gap and bonus pay gap information.

Our data showed:

- Women's mean hourly rate is 1.9% higher than men's.
- Women's median hourly rate is 1% higher than men's.

This year our data shows:

- Men's mean hourly rate is 0.5% higher than women's.
- Men's median hourly rate is 1.8% higher than women's.

We are incredibly proud of this achievement of the tiniest of gender pay gaps two years running, demonstrating clearly that gender equality is embedded in our practices. We regularly review all pay structures within the organisation to ensure our practices are fair and we have published our remuneration policy statement on our website.

8. COUNCIL MEMBERS' RESPONSIBILITIES

The Council is responsible for preparing the Strategic and Board Report as well as the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company and of the income and expenditure of the Group for that period. In preparing these financial statements Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 Group and Company will continue in business.

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Company and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

9. COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Council confirms that the Group and Company have met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard.

10. STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the Council members, who are also the directors of the Company, who held office at the date of approval of these Financial Statements set out above, each confirm, so far as we are aware, that:

- there is no relevant audit of which the Group's and Company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. In approving the Strategic and Board report, we also approve the Strategic Report included therein, in our capacity as company directors.

Beever and Struthers have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed.

This report was approved by the Council of Trustees on 11 September 2019.

....
B O'Donoghue (Chair) on behalf of the Council

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST CHRISTOPHER'S FELLOWSHIP FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of St Christopher's Fellowship "the parent company" and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Statement of Financial Position, the Consolidated and Parent Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2019 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent'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 Council is responsible for the other information. The other information comprises the information included in the Report of the Chair and the Strategic and Board Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Chair and the Strategic and Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Chair and the Strategic and Board Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Chair and the Strategic and Board Report.

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion;

- a satisfactory system of control over transactions has not been maintained.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST CHRISTOPHER'S FELLOWSHIP FOR THE YEAR ENDED 31 MARCH 2019

Responsibilities of Council members

As explained more fully in the Council Members' Responsibilities Statement set out on page 26, the Council members 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 Council members 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, Council members responsible for assessing the Group's and the parent'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 Council members either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson
Senior Statutory Auditor

Date: 27/9/19

For and on behalf of
Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

ST CHRISTOPHER'S FELLOWSHIP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	**Group 2019 £'000**	Group 2018 £'000
Turnover	2 & 3	**17,843**	16,327
Operating expenditure	2 & 3	**(19,428)**	(16,104)
Operating (Deficit)/Surplus		**(1,585)**	223
Gain on disposal of property, plant and equipment (fixed assets)		**1,921**	2,104
Interest receivable	4	**13**	3
Interest and financing costs	5	**(5)**	(27)
Surplus for the year		**344**	2,303
Actuarial gain in respect of pension schemes		**-**	223
Total comprehensive income for the year		**344**	2,526

All of the comprehensive income for the year is attributable to the owners of the parent company.

The consolidated group and parent results relate wholly to continuing activities and the notes on pages 35 to 58 form an integral part of these financial statements.

The financial statements on pages 31 to 58 were authorised for issue by the Council on 11 September 2019 and were signed on its behalf by:

B O'Donoghue – Chair

D Visavadia – Honorary Treasurer   D Visavadia

ST CHRISTOPHER'S FELLOWSHIP
CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	**Group 2019 £'000**	**Parent 2019 £'000**	Group 2018 £'000	Parent 2018 £'000
Fixed Assets					
Intangible fixed assets & goodwill	10	**298**	**-**	-	-
Tangible fixed assets	11	**8,725**	**8,300**	9,230	8,834
Investments in subsidiaries	12	**-**	**347**	-	-
		9,023	**8,647**	9,230	8,834
Current Assets					
Trade and other debtors	13	**1,480**	**1,480**	1,296	1,187
Cash and cash equivalents		**6,247**	**6,067**	5,464	5,444
		7,727	**7,547**	6,760	6,631
Less: Creditors:					
Amounts falling due within one year	14	**(2,992)**	**(5,148)**	(1,668)	(4,166)
Net current assets		**4,735**	**2,399**	5,092	2,465
Total assets less current liabilities		**13,758**	**11,046**	14,322	11,299
Creditors: amounts falling due after more than one year	15	**(4,171)**	**(4,171)**	(4,134)	(4,134)
Pension provision	24.1	**-**	**-**	(686)	(686)
Other provisions	16	**(325)**	**(133)**	(579)	(169)
Total net assets		**9,262**	**6,742**	8,923	6,310
Reserves					
Income and expenditure reserve		**9,174**	**6,654**	8,835	6,222
Permanent endowment		**88**	**88**	88	88
Total reserves		9,262	6,742	8,923	6,310

The notes on pages 35 to 58 form an integral part of these financial statements.

The financial statements on pages 31 to 58 were approved and authorised for issue by the Council on 11 September 2019 and were signed on its behalf by:

B O'Donoghue – Chair

D Visavadia – Honorary Treasurer

D Visavadia

ST CHRISTOPHER'S FELLOWSHIP
CONSOLIDATED AND PARENT STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2019

GROUP:

	Income and expenditure reserve £'000	Permanent endowment £'000
Balance as at 1 April 2017	**6,309**	**88**
Surplus from Statement of Comprehensive Income	2,303	-
Actuarial gain from Statement of Comprehensive Income	223	-
Balance as at 31 March 2018	**8,835**	**88**
Surplus from Statement of Comprehensive Income	344	-
Actuarial gain from Statement of Comprehensive Income	-	
Subsidiary purchased during the year	(5)	-
Balance as at 31 March 2019	**9,174**	**88**

PARENT:

	Income and expenditure reserve £'000	Permanent Endowment £'000
Balance as at 1 April 2017	**3,772**	**88**
Surplus from Statement of Comprehensive Income	2,227	-
Actuarial gain from Statement of Comprehensive Income	223	-
Balance as at 31 March 2018	**6,222**	**88**
Surplus from Statement of Comprehensive Income	432	-
Actuarial gain from Statement of Comprehensive Income	-	-
Balance as at 31 March 2019	**6,654**	**88**

The notes on pages 35 to 58 form an integral part of these financial statements.

ST CHRISTOPHER'S FELLOWSHIP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Net cash flow from operating activities (see Note i)	**45**	(316)
Cash flow from investing activities		
Acquisition and construction of properties	**(232)**	(683)
Acquisition of subsidiary	**(381)**	-
Purchase of tangible fixed assets	**(140)**	(76)
Proceeds from disposal of tangible fixed assets	**2,799**	2,739
Repayment of defined benefit pension cessation deficit	**(1,315)**	
Interest received	**13**	3
Cash flow from financing activities		
Interest paid	**(5)**	(27)
Net change in cash and cash equivalents	**784**	1,640
Cash and cash equivalents at the beginning of the year	**5,464**	3,824
Cash and cash equivalents at the end of the year	**6,248**	5,464

Note i

Cash flow from operating activities		
Surplus/(deficit) for the year	**344**	2,303
Depreciation of tangible fixed assets	**238**	232
Amortisation of intangible fixed assets & goodwill	**76**	-
(Increase)/ Decrease in trade and other debtors	**(183)**	(469)
Increase/(Decrease) in trade and other creditors	**1,405**	(13)
(Decrease) in other provisions	**(940)**	(200)
Carrying amount of tangible fixed asset disposals	**641**	596
Adjustments for investing or financing activities		
Proceeds from the sale of tangible fixed assets	**(2,799)**	(2,739)
Repayment of defined benefit pension cessation deficit	**1,315**	-
Government grants utilised in the year	**(44)**	(50)
Interest payable	**5**	27
Interest received	**(13)**	(3)
Net cash generated from operating activities	**45**	(316)

The notes on pages 35 to 58 form an integral part of these financial statements.

ST CHRISTOPHER'S FELLOWSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Legal Status

St Christopher's Fellowship is a company limited by guarantee incorporated in England under the Companies Act 2006. It is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. St Christopher's registered office is at 1 Putney High Street, London, SW15 1SZ.

In addition to St Christopher's Fellowship as at 31 March 2019 the Group comprises the following entities, none of which are registered with the Regulator of Social Housing:

SCF Services Limited was incorporated on 28 June 1999, commenced trading on 1 September 1999 and ceased to trade in January 2014. It is incorporated in England as a private company limited by share capital. Its registered address is 1 Putney High Street, London, SW15 1SZ. The Parent holds 1 ordinary share of £1 in its subsidiary, SCF Services Limited. This represents 100% of the issued share capital of that company and 1% of its authorised share capital.

St Christopher's (Isle of Man) was incorporated and commenced trading on 10 September 2004. It is incorporated in the Isle of Man as a company limited by guarantee and is a registered Manx charity. Its registered office is Fenella House, Fenella Avenue, Willaston, Douglas, IM2 6PD. Its principal business activities are the provision of care, support, and accommodation for children and young people.

Future Families (West Midlands) Ltd was acquired via a share purchase agreement on 20 July 2018. It is incorporated in England as a private company limited by share capital. Its registered address is 1 Putney High Street, London, SW15 1SZ. The Parent holds 100 ordinary shares of £1 in its subsidiary, Future Families (West Midlands) Ltd. This represents 100% of the issued share capital of that company and 100% of its authorised share capital.

The St Pancras Foundation was incorporated on 8 January 2001 and has not traded. It was incorporated in England as a private company limited by guarantee and was a registered charity. Its registered address was 1 Putney High Street, London, SW15 1SZ. The St Pancras Foundation was dissolved on 26 March 2019.

1.2 Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2014. The Group is required under the Companies Act 2006 to prepare consolidated Group financial statements.

The financial statements comply with the Housing and Regeneration Act 2008, the Companies Act 2006 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The financial statements are prepared on the historical cost basis of accounting, except for pension fund assets and liabilities held at fair value and are presented in pounds sterling.

The consolidated financial statements incorporate the results of St Christopher's Fellowship and all of its subsidiaries as at 31 March 2019 using the acquisition method of accounting as required. Where the acquisition method is used, the results of the subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control.

The Group's financial statements have been prepared in compliance with FRS 102.

The Group transitioned from the previous UK GAAP to FRS 102 as at 1 April 2014.

As a public benefit entity, St Christopher's Fellowship has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

a No Statement of Cash Flows has been presented for the parent company,

b Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and

c No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

In addition, the financial statements adopt the exemption permitted by s.408 of the Companies Act 2006 for the non-disclosure of the Statement of Comprehensive Income for the parent entity, St Christopher's Fellowship.

1.3 Basis of Consolidation

The Group's financial statements are the result of the consolidation of the financial statements of St Christopher's Fellowship and of its subsidiaries, SCF Services Limited, St. Christopher's (Isle of Man) and Future Families (West Midlands) Ltd as at 31 March 2019. A fourth subsidiary, the St Pancras Foundation, was dissolved during the financial year having never traded and with no assets or liabilities. Future Families (West Midlands) Ltd was acquired via share purchase acquisition on 20 July 2018.

1.4 Going Concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

1.5 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position and the amounts reported for revenues and expenses during the year. However, the nature of estimate means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a **Categorisation of properties.** The Group has undertaken a detailed review of the intended use of all of its properties. In determining the intended use, the Group has considered whether the asset is held for social benefit or to earn commercial rentals. The Group has no investment properties.

b **Impairment.** The assessment of potential impairment requires the identification of assets into cash generating groups. For the purposes of the impairment review this has been undertaken at an individual scheme or project level as appropriate.

Other key sources of estimation and assumptions are as follows:

a **Tangible fixed assets** are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b **Pension and other post-employment benefits: TPT Growth Plan – defined benefit structure** Contributions payable under an agreement with SHPS to fund past deficits are recognised as a liability in the Group's financial statements calculated by the repayments known, discounted to the net present value at the year ended using a market rate discount factor. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income in the period incurred. The market rate is equivalent to the single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve, to discount the same recovery plan contributions.

c **Impairment of non-financial assets.** Reviews for impairment of properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a change to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group performs impairment tests based on fair value less cost to sell or a value in use calculation. The fair value less cost to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (or properties), or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cashflow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property.

Following the assessment of impairment no impairment losses were identified in the reporting period.

d **Goodwill and intangible assets.** The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

e **Provisions.** Provisions are included in the financial statements where there is a present legal or constructive obligation to transfer economic benefits and is based on expected liabilities and costs associated with fulfilling the legal obligations of the service contracts.

1.6 Turnover

Turnover represents rental income receivable, amortised capital grant, revenue grants and fees from national governments and local authorities, voluntary income, and other income.

Rental income is recognised when the property is available to let net of voids. Supporting People and all other grants and fees are recognised under the contractual arrangements.

All voluntary income is received either for specific activities or for general use. In the particulars of turnover in Note 2, donations for specific activities are not aggregated with those for general use under the heading 'voluntary income', but are shown under the specific activity to which they relate.

1.7 Supporting People Contracts

Supporting people contract income received from Administering Authorities is accounted for as support services income in the Turnover as per Note 2. The related support costs are matched against this income in the same note.

1.8 Service charges

Service charge income and costs are recognised on an accruals basis. The group operates fixed service charges on a scheme by scheme basis.

1.9 Recognition of Voluntary Income

Voluntary income is recognised in the Statement of Comprehensive Income in the period in which it is received unless it has been specified for use in a future accounting period. In that case its recognition is deferred until that future period and it is treated as a creditor until then.

Voluntary income restricted as to use by the donor and unexpended (i.e. unspent or spent on capital items) at the period end is transferred to Restricted Funds and credited to the Statement of Comprehensive Income, as a transfer from reserves in the period during which the expenditure is incurred, or in which the capital item is depreciated.

Where voluntary income is received after the end of the current period, it is recognised as income of the current period, where material expenditure to which it relates has been incurred in the same period.

1.10 Taxation

The charity is exempt from tax on income and gains falling within section 478 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

1.11 VAT

The Group is currently in the process of de-registering for VAT, as there are no longer income streams in sufficient volume that are deemed VATable services. All amounts disclosed in the financial statements are inclusive of VAT, to the extent that it is suffered by the Group and not recoverable.

1.12 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation. Freehold land is not depreciated.

Where a property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold properties by component on a straight-line basis over the estimated useful economic lives of the component categories. The useful economic lives for identified components are as follows:

	Years
Boilers	10
Kitchens	20
Bathrooms	30
Windows	40
Roofs	50
Structure	100

The Group depreciates properties held on long term leases in the same manner as freehold properties, except where the unexpired term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis, over the expected economic useful lives which are as follows:

	Years
Fixtures, fittings and equipment - homes	3
Fixtures, fittings and equipment – offices	4
Motor vehicles	4
Computer equipment - hardware	4
Computer equipment - software	5

1.13 Property Managed or Leased by Agents

Where the Group carries the majority of the financial risk on property managed or leased by agents, income arising from the property is included in the Statement of Comprehensive Income Account.

Where the agent or lessee carries the majority of the financial risk, income includes only that which relates solely to the Group.

Where the Group carries the majority of the financial risk, the assets and associated liabilities are included in the Group's Statement of Financial Position.

1.14 Leased Assets

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as incurred.

1.15 Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Subsequently goodwill is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated on the straight-line basis over the estimated useful life. The Group establishes a reliable estimate of the useful life of goodwill arising on business combinations based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The useful economic life of acquired goodwill is 5 years in accordance with the forecast period of return on investment.

1.16 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.17 Grants other than Social Housing Grants

Grants other than Social Housing Grants are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where a grant is received with specific performance requirements, it is recognised as a liability until the conditions are met and then it is recognised as Turnover. Grants which have funded furniture and equipment are credited to the Statement of Comprehensive Income to match the related expenditure.

1.18 Social Housing Grant

Where properties have been financed wholly or partly by Social Housing Grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model.

Social Housing Grant must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases the Social Housing Grant may be used for projects approved by the Greater London Authority. In certain circumstances Social Housing Grant may be repayable and in that event it is a subordinated unsecured repayable debt.

1.19 Recycling of Capital Grant

Where Social Housing Grant is recycled as described in 1.17 it is credited to a fund which appears as a creditor until used to fund either the acquisition of new properties or another purpose approved by the Greater London Authority. Where recycled grant is known to be repayable it is shown as a creditor within one year.

1.20 Pension Costs

The cost of providing retirement pensions and related benefits is charged to expenses over the periods benefiting from the employees' services.

The disclosures in the notes are either calculated according to Section 28 of FRS 102 on Retirement Benefits, or in the case of the Social Housing Pension Scheme Growth Plan defined benefit structure, in accordance with the requirements of Section 28 of FRS 102 in relation to multi-employer funded scheme, in which the Group has a participating interest.

1.21 Provisions

The Group only provides for legal or contractual liabilities in line with service or property obligations.

1.22 Intra group transactions

Where members of staff employed by one group member work exclusively on the contracts of another group member, all the employment costs of these staff are recharged at cost and this is disclosed in the financial statements. Some other costs, which include the costs of some staff members, are incurred on behalf of all group members and these costs are recharged on a proportionate basis. The parent manages the treasury function of all members of the group, full records of all inter-company balances are maintained and interest earned is allocated in proportion to the balances. Each group member separately receives all contractual revenue to which it is entitled, as well as retaining its own assets and liabilities.

1.23 Funds and Reserves

The Permanent Endowment is a capital fund which the Trustees of St Christopher's have no power to convert into income. This restriction was a condition of the gift of assets which make up the fund.

1.24 Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in paragraph 11.8(c) of FRS 102 are measured at cost less impairment.

Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at fair value with changes in fair value recognised in profit or loss if the shares are publicly traded or their value can otherwise be measured reliably and at cost less impairment for all other such investments.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash is held at cost and:
- Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method and:
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method and:
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment, and:
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.

2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS – GROUP

FOR THE YEAR ENDED 31 MARCH 2019	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
Social Housing Lettings (Note 3)			
Supported Housing Lettings	318	447	(129)
Other Social Housing Activities			
Support services	2,812	2,661	151
Activities other than social housing			
Sixteen plus services	763	717	46
Children's Services	13,821	15,452	(1,631)
Fundraising	129	151	(22)
TOTAL	**17,843**	**19,428**	**(1,585)**

FOR THE YEAR ENDED 31 MARCH 2018	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
Social Housing Lettings (Note 3)			
Supported Housing Lettings	323	479	(156)
Other Social Housing Activities:			
Support services	2,841	2,328	513
Activities other than social housing			
Sixteen plus services	571	451	120
Children's Services	12,504	12,788	(284)
Fundraising	88	58	30
TOTAL	**16,327**	**16,104**	**223**

2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS - PARENT

FOR THE YEAR ENDED 31 MARCH 2019	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
Social Housing Lettings (note 3)			
Supported Housing Lettings	318	447	(129)
Other Social Housing Activities			
Support services	2,812	2,644	168
Activities other than social housing			
Sixteen plus services	763	712	51
Children's Services	8,223	9,786	(1,563)
Fundraising	129	151	(22)
TOTAL	12,245	13,740	(1,495)

FOR THE YEAR ENDED 31 MARCH 2018	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
Social Housing Lettings (note 3)			
Supported Housing Lettings	323	479	(156)
Other Social Housing Activities:			
Support services	2,841	2,328	513
Activities other than social housing			
Sixteen plus services	571	451	120
Children's Services	7,584	7,946	(362)
Fundraising	88	58	30
TOTAL	11,407	11,262	145

3. TURNOVER AND OPERATING EXPENDITURE – GROUP AND PARENT

	Supported Housing 2019	Supported Housing 2018
	£'000	£'000
INCOME		
Rent receivable net of identifiable service charges	52	46
Service charge income	221	228
Amortised government grants	45	49
Turnover from Social Housing Lettings	**318**	**323**
OPERATING EXPENDITURE		
Service charge costs	177	189
Management	37	35
Routine maintenance	37	41
Planned maintenance	94	138
Rent losses from bad debts	47	14
Depreciation of housing properties	55	62
TOTAL EXPENDITURE	**447**	**479**
OPERATING LOSS ON SOCIAL HOUSING LETTINGS	**(129)**	**(156)**
Void losses	74	106

3(a). TURNOVER FROM ACTIVITIES OTHER THAN SOCIAL HOUSING – GROUP

	Group 2019 £'000	Group 2018 £'000
Sixteen plus services	763	571
Children's Services	13,821	12,504
Fundraising	129	88
	14,713	13,163

3(b). TURNOVER FROM ACTIVITIES OTHER THAN SOCIAL HOUSING – PARENT

	Parent 2019 £'000	Parent 2018 £'000
Sixteen plus services	763	571
Children's Services	8,223	7,584
Fundraising	129	88
	9,115	8,243

4. INTEREST RECEIVABLE

	Group 2019 £'000	Group 2018 £'000
Interest receivable	13	3
	13	3

5. INTEREST AND FINANCING COSTS

	Group 2019 £'000	Group 2018 £'000
Defined benefit pension charge	1	25
Other charges	4	2
	5	27

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS

	Group 2019 £'000	Group 2018 £'000
The aggregate emoluments paid to or receivable by Directors including pension contributions	461	435
The emoluments paid to the highest paid Director of St Christopher's excluding pension contributions	104	104

In total Council members received expenses of £1,713 (2018: £1,024) and no remuneration in the year (2018: £nil).

The Regulator of Social Housing in the 2015 Direction extends the definition of "directors" for the purposes of this note to key management personnel. Members of the Council, the Chief Executive, and any other person who is a member of the Senior Leadership Team, are considered to be Key Management Personnel. Their aggregate emoluments including pension were £461,000 (2018: £435,000).

The previous Chief Executive was an ordinary member of the Standard Life Pension Scheme and a contribution by the Group and Parent of £5,516 (2018: £9,363) was made in addition to his personal contributions. No enhanced or special terms applied.

The current Chief Executive is an ordinary member of the defined contribution Social Housing Pension Scheme and a contribution by the Group and Parent of £750 (2018: £0) was made in addition to his personal contributions. No enhanced or special terms apply.

The number of staff with emoluments, including pension contributions, in excess of £60,000 are:

Total Remuneration including pension contributions	**2019**	**2018**
£60,000 - £70,000	5	6
£70,000 - £80,000	4	1
£80,000 - £90,000	1	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	1
£110,000 - £120,000	-	1

7. EMPLOYEE INFORMATION

	Group 2019	**Group 2018**
The average number of full time equivalent staff (including the Chief Executive) employed during the year:	304	315
The average number of staff (including the Chief Executive) employed during the year.	383	377
	£'000	**£'000**
Staff costs (for the above persons):		
Wages and salaries	9,270	8,741
Social Security costs	838	675
Pensions costs	255	153
	10,363	9,569

The pension cost charge represents contributions payable by the Group for the appropriate year. An amount of £741 (2018: £34,965) was owing to pension providers at the end of the year in respect of employer and employee contributions.

8. OPERATING SURPLUS

Operating Surplus is stated after charging:	Group 2019 £'000	Group 2018 £'000
Auditor's remuneration (excluding VAT)		
- in their capacity as auditors	26	23
- other services	-	-
Gain on the sale of fixed assets	1,921	2,104
Depreciation of owned assets	314	232
Operating leases - property	269	221
- other	81	30
Pension costs defined benefit	44	52
Pension costs defined contribution	553	150

9. PARENT COMPANY RESULT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The surplus after tax of the parent company for the year was £432k (2018 – £2,450k).

10. INTANGIBLE FIXED ASSETS

COST	Goodwill £'000
At start of year	-
Additions	374
At end of year	374

AMORTISATION	£'000
At start of year	-
Additions	76
At end of year	76

	£'000
Net book value at 31 March 2019	298
Net book value at 31 March 2018	-

The intangible fixed asset is goodwill resulting from the share purchase acquisition of Future Families (West Midlands) Ltd on 20 July 2018. The goodwill is amortised over the forecast period of return on investment.

11.(a) TANGIBLE FIXED ASSETS – GROUP

	Housing Properties £'000	Care Properties £'000	Offices £'000	Fixtures Fittings & Computers £'000	TOTAL £'000
Cost					
At 1 April 2018	5,759	3,360	1,753	729	11,601
Additions	91	143	-	140	374
Disposals	(878)	-	-	(36)	(914)
At 31 March 2019	**4,972**	**3,503**	**1,753**	**833**	**11,061**
Depreciation					
At 1 April 2018	1,174	315	431	451	2,371
Charge for the year	56	38	18	126	238
Disposals	(249)	-	-	(24)	(273)
At 31 March 2019	**981**	**353**	**449**	**553**	**2,336**
Net Book Value at 31 March 2019	**3,991**	**3,150**	**1,304**	**280**	**8,725**
Net Book Value at 31 March 2018	**4,585**	**3,045**	**1,322**	**278**	**9,230**

Property Costs comprise:	**2019 £'000**	**2018 £'000**
Housing Properties		
Freeholds	3,991	4,585
Short Leasehold	-	-
	3,991	**4,585**
Care Properties		
Freeholds	3,150	3,045
Short Leasehold	-	-
	3,150	**3,045**
Offices		
Long Leasehold (Over 50 Years)	1,304	1,322
Short Leasehold (Under 50 Years)	-	-
	1,304	**1,322**

11.(b) TANGIBLE FIXED ASSETS – PARENT

	Housing Properties £'000	Care Properties £'000	Offices £'000	Fixtures Fittings & Computers £'000	TOTAL £'000
Cost					
At 1 April 2018	5,759	2,984	1,753	623	11,119
Additions	91	143	-	73	307
Disposals	(878)	-	-	(7)	(885)
At 31 March 2019	**4,972**	**3,127**	**1,753**	**689**	**10,541**
Depreciation					
At 1 April 2018	1,174	302	431	378	2,285
Charge for the year	56	34	18	98	206
Disposals	(249)	-	-	(1)	(250)
At 31 March 2019	**981**	**336**	**449**	**475**	**2,241**
Net Book Value at 31 March 2019	**3,991**	**2,791**	**1,304**	**214**	**8,300**
Net Book Value at 31 March 2018	**4,585**	**2,682**	**1,322**	**245**	**8,834**

Property Costs comprise:	**2019 £'000**	**2018 £'000**
Housing Properties		
Freeholds	3,991	4,585
Short Leasehold	-	-
	3,991	**4,585**
Care Properties		
Freeholds	2,791	2,682
Short Leasehold	-	-
	2,791	**2,682**
Offices		
Long Leasehold (Over 50 Years)	1,304	1,322
Short Leasehold (Under 50 Years)	-	-
	1,304	**1,322**

12. FIXED ASSET INVESTMENTS

The group comprises the following entities:

Name	Country of incorporation	Incorporation and ownership	Regulated/ non-regulated	Nature of Business
St Christopher's (Isle of Man)	Isle of Man	Company – 100%	Non-regulated	Children's social care
SCF Services Limited	England	Company – 100%	Non-regulated	Children's social care
Future Families (West Midlands) Ltd	England	Company – 100%	Non-regulated	Independent Fostering Agency

13. TRADE AND OTHER DEBTORS

	Group 2019 £'000	Parent 2019 £'000	Group 2018 £'000	Parent 2018 £'000
Amounts falling due within one year				
Rent arrears	94	94	126	126
Less: provision for bad debts	(93)	(93)	(118)	(118)
Net rental debtors	1	1	8	8
Other Debtors	1,017	957	751	750
Amounts owed from Group undertakings	-	175	-	-
Prepayments and Accrued Income	462	347	537	429
	1,480	1,480	1,296	1,187

Debtors are all due within one year.

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £'000	Parent 2019 £'000	Group 2018 £'000	Parent 2018 £'000
Trade Creditors	298	274	446	401
Amounts owed to Group undertakings	-	2,422	-	2,746
Taxation and Social Security payable	309	227	258	191
Accruals and deferred income	2,340	2,180	880	744
SHPS pension agreement plan (Note 24.5)	1	1	32	32
Deferred Capital Grant (Note 16)	44	44	52	52
	2,992	5,148	1,668	4,166

Treasury management is provided by the parent company with the objectives of ensuring that operational cashflow needs can be met, assets are safeguarded and interest is earned.

Included in deferred income is £199,817 (2018: £199,817) received from The St Pancras Foundation that has been specified for use in future accounting periods. Its recognition is deferred until then.

15. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group 2019 £'000	Parent 2019 £'000	Group 2018 £'000	Parent 2018 £'000
Deferred Capital Grant (Note 16)	3,407	3,407	3,873	3,873
Recycled Capital Grant (Note 17)	758	758	94	94
SHPS pension agreement plan (Note 24.5)	6	6	167	167
	4,171	4,171	4,134	4,134

16. DEFERRED CAPITAL GRANT

	Group 2019 £'000	Parent 2019 £'000	Group 2018 £'000	Parent 2018 £'000
At the start of the year	3,925	3,925	3,758	3,758
Released to income in the year	(44)	(44)	(50)	(50)
Addition	73	73	272	272
Transfer to Recycled Capital Grant	(733)	(733)	(94)	(94)
Amortisation on transfer to Recycled Capital Grant	230	230	39	39
At the end of the year	3,451	3,451	3,925	3,925
Amount due to be released in less than one year (Note 12)	44	44	50	50
Amount due to be released in more than one year (Note 13)	3,407	3,407	3,873	3,873
Total accumulated government grant and financial assistance received at 31 March	4,504	4,504	5,165	5,165

17. RECYCLED CAPITAL GRANT FUND

	Group £'000	Parent £'000
Balance at the start of the year	94	94
Interest accrued	4	4
Transferred to Deferred Capital Grant	(73)	(73)
Addition	733	733
Balance at the end of the year	758	758

All of this is due to the Greater London Authority.

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Group £'000	Parent £'000
Balance at the start of the year	579	169
Additions in the year	4	4
Released in the year against expenditure	(40)	(40)
Unused amounts reversed in the year	(218)	-
Balance at the end of the year	325	133

The provision relates to the costs of meeting changed contractual requirements for the provision of services and contractual commitments under property leases, which have already been incurred, but which will not be paid until future accounting periods.

19. CAPITAL COMMITMENTS – GROUP AND PARENT

	2019 £'000	2018 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Council but has not yet been contracted for	126	577
	126	577

St Christopher's expects these commitments to be financed by cash within the next year.

20. OPERATING LEASES

The Group and Parent hold certain properties, vehicles and office equipment under non-cancellable operating leases. At the end of the year the future minimum lease payments were as follows:

	2019		2018	
Group	**Property £'000**	**Other £'000**	**Property £'000**	**Other £'000**
Leases expiring:				
Within next year	81	18	84	15
In second to fifth year	-	8	56	21
In more than five years	-	-	-	-
Parent				
Leases expiring:				
Within next year	-	12	3	11
In second to fifth year	-	5	-	15
In more than five years	-	-	-	-

21. RELATED PARTIES

Intra-group management fees are receivable by the parent from its subsidiaries to cover the running costs the association incurs on behalf of managing its subsidiaries and providing services. The management fee covers the services provided for the following functions; Human Resources, Information Technology, Finance, Business Development, Communications and Marketing and Executive. The management fees are primarily based on turnover but are adjusted to reflect additional time or resources that some subsidiaries may require. The total payable by subsidiaries to the parent in the year ended 31 March 2019 was £734,000 (2018: £739,000).

22. UNITS/BED SPACES

		Group 2019	Parent 2019	Group 2018	Parent 2018
SOCIAL HOUSING:					
Supported housing	- owned and managed	62	62	70	70
	- owned and managed by others	9	9	9	9
	- managed for others	10	10	29	29
		81	81	108	108

23. TAXATION

The Parent, St Christopher's Fellowship, has charitable status as has St Christopher's (Isle of Man). SCF Services Limited has no taxable profits for the year and so no provision or charge for taxation has been included in the financial statements. *[Need to add something about Future Families]*

24. PENSIONS OBLIGATIONS – GROUP AND PARENT

St Christopher's participated in three defined benefit salary schemes, operated by the London Pensions Fund Authority, TPT Retirement Solutions and Local Government Pensions Fund, all independently administered pension funds. St Christopher's withdrew from all three schemes within the year.

Two group money purchase schemes with Standard Life and the TPT Retirement Solutions were available for UK staff and one group money purchase scheme with Aviva is available for staff of St Christopher's (Isle of Man). TPT Retirement Solutions has notified St Christopher's that it is also a participating employer in the 'Growth Plan' which is described in Note 24.3.

The total pension cost for St Christopher's for the year was £553,000 (2018: £202,000) covering 333 employees (2018: 261).

24.1 LPFA Scheme

The Local Government Pension Scheme administered by London Pension Fund Authority (LPFA) is a defined benefits scheme. The assets of the scheme are held in a separate fund. The

24. PENSIONS OBLIGATIONS – GROUP AND PARENT (continued)

role of the LPFA as administrator of the fund is akin to that of a trustee, but is defined by statutory instrument rather than by trust deed.

During the year, St Christopher's reviewed its pension offer and obligations and took the decision to withdraw from the LPFA scheme, with the last member leaving the scheme as at 31st July 2018. The cessation valuation of £1,315k was paid in October 2018 and is offset in the consolidated statement of comprehensive income by the release of the £686k present value provision.

24.2 SHPS Scheme

St Christopher's participated in the Social Housing Pension Scheme (SHPS) up until its withdrawal on 31 March 2019. The scheme is a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The cessation valuation of £854k was calculated based on the withdrawal date of 31 March 2019 and will be settled with TPT in due course.

24.3 TPT Retirement Solutions' Growth Plan

St Christopher's participates in TPT Retirement Solutions' Growth Plan. The scheme is a multi-employer scheme which provides benefits to some 1,300 non-associated employers. The scheme is a defined benefit scheme in the UK. TPT Retirement Solutions, which administers the scheme, has advised St Christopher's that is not possible to provide sufficient information to enable St Christopher's to account for the scheme as a defined benefit scheme. Therefore, St Christopher's financial statements for the scheme as a defined contribution scheme.

The scheme is subject to funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last-man standing arrangement". Therefore St Christopher's is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contribution
From 1 April 2019 to 31 March 2025

£11.2m per annum (payable monthly and increasing by 3% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

24. PENSIONS OBLIGATIONS – GROUP AND PARENT (continued)

Where the scheme is in deficit and where St Christopher's has agreed to a deficit funding arrangement, St Christopher's recognises the liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Value of Creditor

	2019 £'000	2018 £'000	2017 £'000
Present value of creditor	7	9	10

Reconciliation of Opening and Closing Creditor

	2019 £'000	2018 £'000
Creditor at start of the period	9	10
Unwinding the discount factor (interest expense)	-	-
Deficit contribution paid	(1)	(1)
Re-measurements – impact of change in assumptions	-	-
Re-measurement – amendments to the contributions schedule	(1)	-
Creditor at end of period	7	9

Statement of Comprehensive Income Impact

	2019 £'000	2018 £'000
Interest expense	-	-
Re-measurements – impact of change in assumptions	-	-
Re-measurement – amendments to the contributions schedule	(1)	-
Cost recognised in the Statement of Comprehensive Income	(1)	-

Assumptions

	2019 % pa	2018 % pa	2017 % pa
Rate of discount	1.39	1.71	1.32

The discount rates shown about are the equivalent single discount rates, which when used to discount the future recovery plan contributions due, would give the same results as using as full AA corporate bond yield curve to discount the same recovery plan contributions.

St Christopher's has been notified by TPT Retirement Solutions of the estimated employer debt if the Association were to withdraw from the Growth Plan based on the financial position of the scheme as at 30 September 2016. As at this date the Actuary has estimated that the employer debt for the Growth Plan was £18,706.

24. PENSIONS OBLIGATIONS – GROUP AND PARENT (continued)

24.4 Local Government Pension Fund - Bedfordshire

On 26 October 2007 St Christopher's became an admitted body of the Local Government Pension Fund, administered for Bedfordshire County Council. Membership of the pension scheme is restricted to staff who transferred from Bedfordshire County Council, and as such St Christopher's membership is treated as closed. The terms of the contract for the provision of children's services to Bedfordshire County Council and its successor bodies limit St Christopher's exposure to both actuarial risk and gain.

Bedfordshire County Council was abolished on 1 April 2009 and its successor bodies were Central Bedfordshire Council and Bedford Borough Council. The contract for the provision of children's services transferred to Central Bedfordshire Council. The contract was terminated early by mutual agreement on 1 February 2019 which triggered a cessation valuation of the Local Government Pension Fund. Included within the financial statements is the £137k cessation valuation expense and the £137k income recharging this liability to Central Bedfordshire Council, in line with the contracted agreement.

24.5 Pension creditors – Group and Parent

Summary of creditor explained in notes 21.2 to 21.3	2019 £'000	2018 £'000
SHPS creditor due in less than one year (Note 11)	-	31
SHPS creditor due in more than one year (Note 12)	-	159
	-	190
TPT Retirement Solutions' Growth Plan in less than one year (Note 11)	1	1
TPT Retirement Solutions' Growth Plan due in more than one year (Note 12)	6	8
	7	9

25. INCOME FROM VOLUNTARY AND DISCRETIONARY SOURCES

St Christopher's is greatly appreciative of the funding it receives from a number of sources, including:

Daemon Solutions
Fowler Smith and Jones Trust
G D Herbert Charitable Trust
JLT Management Services
Little Lives UK
M Moser Associates Ltd
Putney Methodist Church
Scotiabank
St Margaret's School
The Mageni Trust
The Susan Bibby Fund

In addition, St Christopher's has benefited from the generosity of individual donors, whose support is critical in enabling the continuation of St Christopher's work. St Christopher's is most grateful to all of these individual donors.

26. GRANTS

	2019 £'000	2018 £'000
BBC Children in Need	23	16
Esmee Fairbairn Foundation	56	-
Gowling WLG (UK) Charitable Trust	-	1
LandAid Charitable Trust	13	34
Middlesex Sports Foundation	-	1
Munro Charitable Trust	-	1
Oak Foundation	164	-
Peacock Trust	10	19
Sisters of the Holy Cross	25	-
Souter Charitable Trust	2	5
The Albert Hunt Trust	-	3
The Arsenal Foundation	-	1
Trusts of the Alchemy Foundation	-	1
	293	**82**
Department for Education		
- Income	403	-
- Expenditure	403	-
	-	-

27. MEMBERS' LIABILITY

St Christopher's Fellowship is a company limited by guarantee and has no share capital. Every Council member, who are also members of the company undertake to contribute up to £1 in the event of the company being wound up.

28. FINANCIAL INSTRUMENTS

	2019 £'000	2018 £'000
The Group's financial instruments may be analysed as follows:		
Financial assets at cost:		
Cash and cash equivalents	6,247	5,464
Financial assets measured at amortised cost:		
Trade and other debtors	1,018	759
	7,265	**6,223**
Financial liabilities measured at amortised cost:		
Trade and other creditors	2,992	1,668
	2,992	**1,668**