

**St Mary's Convent
and Nursing Home
(Chiswick)**

**Annual Report and Financial
Statements**

31 March 2021

Company Limited by Guarantee
Registration Number 03959483
(England and Wales)

Charity Registration Number 1080751

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Legal and administrative information

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|------------------------------------|---|
| Trustees | Miss Catherine Mary Allen (Sister Mary Clare SSM) Miss Cynthia Boreham (Sister Cynthia Clare SSM) Miss Jennifer Goodeve (Sister Jennifer Anne SSM) Miss Pamela Groombridge (Sister Mary Paul SSM) Ms S Marshall Mr Alan Martin (appointed 16 February 2021) Mr J B Randle |
| Company secretary | Mrs Yamiko Lawton |
| Registered office | Burlington Lane Chiswick London W4 2QE |
| Company registration number | 03959483 (England and Wales) |
| Charity registration number | 1080751 |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | National Westminster Bank plc 135 Bishopsgate London EC2M 3UR |
| Investment managers | Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP |
| Solicitors | Stone King LLP 13 Queen Square Bath BA1 2HJ |

Report of the trustees (incorporating a strategic report) 31 March 2021

The trustees, who are directors of the charitable company for the purposes of company law and trustees for the purposes of charity law, present their statutory report together with the financial statements of St Mary's Convent and Nursing Home (Chiswick) ("the charity" or "the charitable company") for the year ended 31 March 2021.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 29 and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Introduction

The charity was established by the members of the Chapter of Saint Margaret's Convent (Chiswick) which is the Mother House of the Society of Saint Margaret (an Anglican religious order) founded in 1855 by John Mason Neale DD. The principal activity of the charity is to operate St Mary's Convent and Nursing Home ("St Mary's") based in Chiswick. Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No 1188112) is regarded as the parent undertaking of St Mary's Convent and Nursing Home (Chiswick).

Objectives, activities and other relevant policies

Objectives and activities

The object of the charity is the advancement of the Anglican Christian religion in particular:

- ◆ by providing residential home accommodation, nursing and other care facilities to members of the public, to members of the convent and to members of the charity;
- ◆ by the promotion and maintenance of public worship; and
- ◆ by the promotion of religious and spiritual teaching.

St Mary's aims are to:

- ◆ provide excellent personal and nursing care to up to 60 residents, in a homely environment, where they live as part of an extended Christian family, whilst also having the right to privacy and independence;
- ◆ provide care, delivered by skilled staff, underpinned by the core values of privacy, dignity, choice, rights, proper assessment of risk, respect, equality, fulfilment, independence and security, to a standard which embraces the fundamental principles of good practice and meets the requirements of the Care Act 2014;
- ◆ recognise each resident as an individual and enable the resident to achieve the highest possible quality of life throughout their stay. Family and friends are welcome and are involved in care planning and delivery, providing the resident gives consent; and

Objectives, activities and other relevant policies (continued)

Objectives and activities (continued)

- ♦ enable the resident to experience a comfortable and peaceful death, surrounded by loved ones and caring staff.

The activities and fundamental ethos of St Mary's are:

- ♦ to provide nursing and residential care for elderly residents, who are physically frail, disabled or require supervision due to mental and/or physical deterioration. The Home is staffed by registered nurses and care assistants, most of whom have Qualifications and Credit Framework ("QCF") qualifications at levels 2, 3 and 5;
- ♦ to provide holistic care for the residents, including meeting social and spiritual needs. This involves a varied activity programme throughout the week, both inside the Home and out. Staff, volunteers and paid contributors are involved in providing the programme;
- ♦ to provide a local care home for the older people of Chiswick and surrounding areas, so they do not have to move away for this facility, and can maintain local links and involvement if they wish;
- ♦ to provide five one-bedroom independent living bungalows within the grounds of St Mary's;
- ♦ to enable the residents to live as independently as possible, in their own rooms, respecting their choices for decoration and room layout where practically possible;
- ♦ to provide assistance to residents if they need it, but to limit interventions to suit their needs and desires, ensuring they maintain control over their lives and enabling them to take risks within a monitored and safe environment; and
- ♦ to provide a homely, flexible and accepting environment where the resident and their families and friends feel able to continue their relationships and enjoy family life, arranging and participating in any activities that are important to the resident's cultural, social or religious needs.

St Mary's recognises that its clients (the residents) are vulnerable. Many of them are physically and/or mentally frail. They may be unable to give informed consent or make appropriate choices or judgements. Some are not able to recognise risks to themselves or maintain their own safety. As an ethical organisation, based on Christian values, St Mary's adopts practices to protect these vulnerable adults, including:

- ♦ Disclosure and Barring Service (DBS) criminal record checks for all staff and volunteers;
- ♦ Safeguarding of Vulnerable Adults (SOVA) training for all staff and volunteers;
- ♦ Vulnerable adult policy – service wide agreement;
- ♦ Training and induction for staff (video and questionnaire, QCF);

Objectives, activities and other relevant policies (continued)

Objectives and activities (continued)

- ◆ Gifts and gratuities policy;
- ◆ Restraint policy and regular medication review;
- ◆ Accident/incident policy;
- ◆ Nursing and Midwifery Council register checked (registered nurses only); and
- ◆ Supervision as required by the Care Quality Commission.

Public benefit

The charity reviews its aims, objectives and achievements each year and this report comments on achievements during the year ended 31 March 2021 and also considers plans for the future. In undertaking the review of aims, objectives and achievements the trustees have paid due regard to guidance issued by the Charity Commission in determining how the charity should carry out its activities for the public benefit.

The charity fulfils its charitable purposes for the public benefit in the following ways:

- ◆ providing high standards of care for up to 60 residents;
- ◆ giving that care at fee rates materially lower than the rates charged by commercially operated homes of comparable quality;
- ◆ caring for those residents reliant on public funding at fee rates materially lower than St Mary's normal rates. The trustees continue to be concerned about the extent of this public subsidy but it is the unfortunate reality of the inadequacy of public funding for residential care for the elderly. St Mary's status as a charity helps ensure that residents are not prevented by lack of means from enjoying the high standard of care St Mary's is able to provide;
- ◆ being a place of both public and private worship for residents, staff and visitors alike. The presence of the Chapel distinguishes St Mary's from most other care homes and provides a spiritual element to the atmosphere at St Mary's; and
- ◆ although St Mary's is run by an Anglican Christian religious order, it is open to all irrespective of their religious beliefs.

The charitable status of St Mary's substantially enhances its ability to fulfil its charitable purposes for the public benefit in a number of ways:

- ◆ the sisters resident at St Mary's provide the ethos and the spiritual care whilst living amongst the residents;
- ◆ the trustees give freely of their time and expertise without payment;

Objectives, activities and other relevant policies (continued)

Public benefit (continued)

- ♦ charitable status combined with the high regard and affection in which the Home is held, ensure the continued support of a host of volunteers. This support comes in the form of the donation of both time and money. The wide range of activities and outings enjoyed by the residents could not be provided without the considerable support of volunteers who give freely of their time. Such activities are an important contributor to the air of vitality at St Mary's;
- ♦ the work which is carried out by volunteers, the sisters and trustees at no cost, coupled with the fact that as a charity there is no requirement for a commercial return on capital employed, enables the Home to operate with a much lower cost base than a commercial undertaking, resulting in the lower fee rates for residents to which reference has already been made.

Investment policy

The charity's investments are managed by Investec Wealth & Investment Limited, professional investment managers. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. It takes into account the charity's income requirements for the year, the risk profile and the investment managers' view of the market prospects in the medium term.

The investment objective is to achieve a balanced return between income and capital growth within a moderate risk profile. The trustees also have an ethical policy which precludes investment in any company, which after reasonable enquiry, clearly generates significant profits from an activity which is contrary to the objectives of the Anglican Church.

The performance of the portfolio and the charity's investment strategy are reviewed by the trustees every six months when the trustees or a representative meets with the investment managers.

Achievements and performance

This report reflects the effects that the Covid-19 pandemic, lockdowns and restrictions have had on the business.

The financial year covered began 2 weeks into the first lockdown. During the 12 months until end of March 2021, the Home has coped with the various national lock down periods and there have been times when the Home was closed due to Covid-19 outbreaks.

During this period up to 1/3rd of staff, at any one time, were also absent due to being either clinically extremely vulnerable themselves, or shielding family members, or being ill with Covid-19.

These staff had their salaries mostly covered by the Government's Job Retention Scheme (Furlough) and Hounslow's Infection Control Fund. The Job Retention Scheme will close on 30 September 2021.

Achievements and performance (continued)

The main impact of the pandemic on the finances of the Home has been in the lower than normal occupancy rate. As rooms became vacant during the first few months, the Home was unable to take in new residents. By the time the Home could welcome new residents the waiting list had been decimated by the pandemic. The Home encountered a great deal of hesitancy around people putting their relatives into a care home. The bad publicity surrounding the early crises in care homes and Covid-19 deaths definitely had an impact. However, by new year 2021, after the second lockdown and just before the third, there was considerable new interest in care home placements as families were exhausted by looking after relatives for a full year. There has also been an increase in requests for respite stays, and post-surgery convalescence. Where possible, we have accommodated these requests.

By March 2021 the Home was at 87% occupancy for Extra Care Beds, but has remained at 75% in the Residential Unit. This continues to be a challenge.

During the lockdown periods of under-occupancy the Home has been able to undertake a considerable amount of refurbishment and upgrading of rooms. The Residential Unit has been redecorated, new floors laid, rooms redecorated and new shower rooms added where possible.

The Home runs as an extended Christian family, where residents, their families and friends are normally all welcome in the Home, which normally has an open visiting policy and offers hospitality at all times. Residents are supported so that they may live as normal a life as possible, enabling them to be “up and about” and enjoying some meaningful activities during the day. This is facilitated by specialist mobility equipment funded from donations, which means no residents are bedbound. The Home runs a holiday week each year, when the staff focus is on ensuring the residents have an opportunity to do different activities and events. There is a full activity programme every week, with more individual activities facilitated by the Activities Team.

The chapel is the focal point of St Mary's, and although residents do not have to be religious to come to the Home, many residents choose it because they wish to continue to attend a weekly church service. Mass is celebrated every day and the sisters attend offices of Morning Prayer, Mid-day Office, Vespers and Compline and are often joined at these by some residents. When Chapel services resumed, the seating was arranged so that everyone was 2 metres apart; this is now reduced down to 1 metre. Singing was not allowed in places of worship, which was a particular shame over Christmas, but a local family came on Christmas morning and sang carols outside in the garden, which was much appreciated by the residents.

The Home is able to offer some bed and breakfast accommodation to visiting family and friends. This has been of benefit to residents whose relatives live some distance from the Home. Overnight stays were suspended from 23 March 2020, and will remain so until September 2021.

Achievements and performance (continued)

The Home has many staff who have worked at St Mary's for several years and the Home actively supports staff to gain Health and Social Care Qualifications at levels 2, 3 and 5. Over the year, the Home has been fully staffed and has not used agency staff. Where necessary we have called on our bank staff.

The Home has a good working relationship with the Palliative Care Team at Meadow House Hospice and aims to provide residents with end of life care at the Home. All were supported to the end of their lives at St Mary's. Families and friends were able to continue to visit them here and also received support from the regular and consistent staff team.

Quality Management is of paramount importance and the Home uses the Quality Compliance System to audit compliance with the Fundamental Standards. (Care Act 2014, Health & Social Care Act 2008). A part-time administrator co-ordinates the quality data collection amongst other duties.

The Home operates in a highly regulated sector and is subject to unannounced inspections by the Care Quality Commission (CQC) to ensure that statutory fundamental standards for Care Homes are met. The Home was inspected in November 2019 and was rated "Good" in the report published in December 2019 with Responsive rated as "Outstanding". A full copy of the report can be found at www.cqc.org.uk.

Risk management

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

Having assessed the major risks to which the charity is exposed, including those associated with Covid-19, the trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The key risks associated with Covid-19 are lower income from under-occupancy and increased spending due to the requirements of PPE and testing. The other principal risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ Operationally the charity works with vulnerable adults including older people. The trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that staff and volunteers must obtain clearance from the Disclosure and Barring Service (DBS). In addition, the trustees have established systems of on-going safeguarding training; to update internal policies; and to ensure staff and volunteers are kept informed about good practice in work.

Risk management (continued)

- ◆ St Mary's operates in a highly regulated field of activity and as such is subject to regular inspection by a number of agencies. The result of this degree of scrutiny is that operational risk policies are very well developed in the areas of quality of service, health and safety of residents and employees and employment issues. The Matron and the trustees with experience of running health care organisations advise the trustees of the myriad of clinical, care and other risks associated with the operation of the care home including, for example, safeguarding (see above); the chronic shortage of qualified nurses and care assistants; and the changing regulatory environment including alterations to the inspection regime of the Care Quality Commission and the need for specific written policies.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by a reputable investment manager who adheres to a policy agreed by the trustees. The trustees meet twice a year with the investment manager and the manager's performance and that of the portfolio are monitored and will continue to be so given the volatility in markets caused by the continuing Covid-19 pandemic and other world events. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Fundraising policy

St Mary's aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. St Mary's manages its own fundraising activities and does not employ the services of professional fundraisers. St Mary's undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charitable company received no complaints about its fundraising activities.

Report of the trustees (incorporating a strategic report) 31 March 2021

Financial review

Income amounted to £3,719,591 (2020 - £4,042,624). Of this amount £3,073,652 (2020 - £3,594,808) arose from nursing and residential home fees. Voluntary income for the year amounted to £204,474 (2020 - £240,262).

Expenditure during the year amounted to £3,715,654 (2020 - £3,671,279). Costs in relation to the provision of residential and nursing care totalled £3,707,665 compared to £3,663,172 in 2020.

Net income before realised and unrealised investment gains amounted to £3,937 (2020 - net income before realised and unrealised investment losses amounted to £371,345). The fees paid by local authorities are significantly below the level required to cover the economic costs of care. Without the support of those giving donations and bequeathing legacies, and without income arising from investments, expenditure and related investment management fees would have exceeded income by £294,814 (2020 - income would have exceeded expenditure and related investment management fees by £9,871).

Total net realised and unrealised investment gains were £655,503 (2020 – losses of £361,918) and the net income for the year, therefore, amounted to £659,440 (2020 – net income of £9,363).

Donations

The trustees wish to record their grateful thanks to all donors whose generosity has enabled the work of St Mary's to continue.

Investment performance

As previously stated, the charity's investments are managed by Investec Wealth & Investment Limited. At 31 March 2021 the investments had a market value of £3,902,087 including cash awaiting investment of £281,884.

Throughout 20/21, the investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report and in compliance with the ethical guidelines given to them. Further details of the investment portfolio are included in note 11 to the attached accounts. The trustees continue to take a long term view and believe their investment policy remains appropriate.

Reserves policy

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, or otherwise committed. Given the nature of the work undertaken by St Mary's, and to take into account the current inadequacy of Government funding for residents in nursing homes without private means, it is considered that the level of free reserves should be approximately equal to six month's budgeted operating expenditure.

The trustees are of the opinion that this provides sufficient flexibility to enable the charity to meet the challenges posed by Covid-19 and to cover temporary shortfalls in income due to falls in occupancy levels.

Financial review (continued)

Financial position

The balance sheet shows total reserves of £9,040,570.

The tangible fixed assets fund totals £4,177,632 and is represented by the tangible fixed assets used to support the work of the charity. As the fees paid by local authorities in no way meet the cost of providing care, an amount of £900,000 continues to be designated by the trustees to generate income towards meeting some of that shortfall. A further amount of £1,100,000 continues to be set aside by the trustees as a building maintenance and improvement fund.

Funds available to support the work of the charity in the future are shown as general funds on the balance sheet and amount to £2,862,938. Whilst slightly in excess of the amount demanded by the reserves policy set out above, this figure needs to be considered in the light of the challenges of Covid-19, the annual budgeted expenditure of more than £3.6million, the increasing age profile of the sisters, the volatility in world stock markets and the need for the charity to employ more paid staff in the future as a result of the increasing regulatory requirements on care homes. The trustees are of the opinion that the free reserves are adequate but not excessive, given that they are consistent with the amount required by the above policy.

Plans for future periods

The immediate challenge for 2021/22 and 2022/2023 will be to deal with the issues arising out of the pandemic, and in particular, to continue to protect residents and staff. Longer term, the trustees do not anticipate any significant change to the charity - their intention is to continue to meet the charity's objectives and to focus on providing an excellent service for residents.

Structure, governance and management

Members

During the prior year, the voting members of the Chapter of Saint Margaret's Convent (Chiswick) were the only members of the charitable company. With effect from midnight on 31 March 2020, the charitable company's sole member became Saint Margaret's Convent (SSM Chiswick) CIO (the CIO). The members of the CIO are the members of the Chapter of Saint Margaret's Convent (Chiswick).

The liability of the member is limited. If the charity is dissolved, the member may be required to pay up to £1 towards both the costs of dissolution and the liabilities incurred by the charity during the period of membership or twelve months thereafter.

Governing document

St Mary's Convent and Nursing Home (Chiswick) is an incorporated charitable company constituted as a company limited by guarantee, Company Registration Number 03959483 (England and Wales), incorporated on 24 March 2000 and which was registered as a charity, Charity Registration Number 1080751, on 16 May 2000. It was established under a memorandum of association which defined its objects and powers and is governed by its articles of association.

Structure, governance and management (continued)

Trustees

The following trustees were in office at the date on which this report was approved and served during the year as shown:

Trustee

Miss Catherine Mary Allen (Sister Mary Clare SSM)
Miss Cynthia Boreham (Sister Cynthia Clare SSM)
Miss Jennifer Goodeve (Sister Jennifer Anne SSM)
Miss Pamela Groombridge (Sister Mary Paul SSM)
Mr C M Mackay (resigned 19 November 2020)
Ms S Marshall
Mr A Martin (appointed 16 February 2021)
Mr J B Randle

Mr R I Turner (resigned 19 August 2020)

The trustees are ultimately responsible for the policies, activities and assets of the charitable company. The trustees meet four times a year and are responsible for the strategic direction and policy of St Mary's. At each meeting the trustees consider the key measures of operational and financial performance with the assistance of the appropriate members of the management team. When necessary, the trustees seek advice and support from the charitable company's professional advisers including investment managers, solicitors and accountants.

Brief details about each of the trustees are given below:

Sister Mary Clare SSM

Sister Mary Clare was elected as the Assistant Superior on 2 March 2015 and appointed to the board on 16 April 2015

Sister Cynthia Clare SSM

Sister Cynthia was Reverend Mother Superior until 2 March 2015 and was an ex officio member of the board until 16 April 2015

Sister Jennifer Anne SSM

Sister Jennifer has been Sister Superior at St Mary's since the 1980s and was elected Reverend Mother Superior on 2 March 2015. She is an ex-officio member of the board and chairs the board meetings. She manages the Home on a day to day basis, in conjunction with Elizabeth Smith (a Registered General Nurse and the registered manager of the Home for regulatory purposes).

Sister Mary Paul SSM

Sister Mary Paul is also an elected member of the board and was the Assistant Superior at Saint Margaret's Convent until 2 March 2015.

Structure, governance and management (continued)

Trustees (continued)

Mr John Randle

John Randle has spent his career in hospital management consultancy internationally. He was the founder of the charity formerly known as Hospital Management Trust (HMT) in 1985 and ran it until retiring in 2013. HMT was established to assist charities and not-for-profit organisations working in the healthcare sector. He has been a member of the board of St Mary's for many years.

Mr Ian Turner

Ian Turner was a director and company secretary of Fuller, Smith & Turner plc which is a near neighbour and generous supporter of the charity. He is a Chartered Accountant by training.

Mr Colin Mackay

Colin Mackay was elected a trustee in 2013. His initial involvement with the work of the charity was when a close relative was a resident in the nursing home. He has a background in accountancy and finance.

Ms Susan Marshall

Elected as a trustee in 2019. Susan Marshall is a HealthCare Consultant who is experienced in both the independent and NHS sectors. She has gained experience from clients including the Nuffield Hospitals and Care UK. Prior to becoming a Consultant, Susan had a long and distinguished career in healthcare. She is also a church warden at St Nicholas' church, Chiswick.

Mr Alan Martin

Alan Martin was elected a trustee in 2021. He is a Senior Expert at McKinsey & Company where he advises clients across the European oil refining and trading industries on a range of topics, including company valuation and strategy, supply chain optimisation, mergers and acquisitions and refining operations management. He is a long-time friend to St Mary's and was highly involved in the fundraising initially required to ensure St Mary's remained compliant with the Care Standards Act 2000 and later to construct the bungalows.

Recruitment and appointment of trustees

The articles of association require that there shall be at least five and not more than eight trustees.

The Reverend Mother of Saint Margaret's Convent (currently Sister Jennifer Anne SSM) is appointed as an ex-officio trustee. The remaining trustees are elected and one-third (or the number nearest one-third) must retire at each annual general meeting and, if eligible and willing to do so, offer themselves for re-election.

The trustees have great expertise and experience in a wide range of business, medical and care disciplines. Individuals with appropriate skills, ability and time are approached to offer themselves for election to the board of trustees.

Structure, governance and management (continued)

Trustees (continued)

Trustee induction and training

Prospective trustees are invited to meet existing trustees and the senior management at St Mary's and to see first-hand the work of St Mary's and its general atmosphere. They are provided with relevant documents relating to the governance of the charity and the latest financial statements and management accounts. The information and advice available from the Charity Commission is also made available to any prospective trustee who does not have previous experience of the duties and responsibilities placed on a charity trustee.

Organisational structure

The day to day running of St Mary's is overseen by Sister Jennifer Anne SSM, who is designated as the responsible person for statutory purposes, and Elizabeth Smith, who is the registered manager and matron.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for the year. In preparing those financial statements the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charity will continue in business.

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

Report of the trustees (incorporating a strategic report) 31 March 2021

Statement of trustees' responsibilities (continued)

Each of the trustees confirms that:

- ♦ so far as that trustee is aware there is no relevant audit information of which the charity's auditor is unaware: and
- ♦ that the trustee has taken all the steps that he/she ought to have taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with S418 of the Companies Act 2006.

Related parties

With effect from midnight on 31 March 2020, the charitable company's sole member became Saint Margaret's Convent (SSM Chiswick) CIO (the CIO). The members of the CIO are the members of the Chapter of Saint Margaret's Convent (Chiswick).

The sisters who are members of the board of trustees of St Mary's Convent and Nursing Home (Chiswick) are also voting members of the Chapter of Saint Margaret's Convent (Chiswick) and trustees of Saint Margaret's Convent (Chiswick) (Charity Registration No 231926) and of its successor charity Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No 1188112).

The freehold of the premises from which the Home operates is owned by Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No 1188112). The charity occupies the premises for an annual peppercorn rent and in accordance with a written Memorandum of Understanding.

Key management personnel

The trustees (who include the Reverend Mother who is also the Responsible Person and Chief Executive) consider that they together with the Registered Manager/Matron of the Home comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the trustees, including lay trustees, received any remuneration or reimbursement of expenses during the year (2020 - none).

Certain of the trustees are members of the Anglican Religious Community, St Margaret's Convent (Chiswick) and live at the Home. In accordance with their vows of poverty the sisters are provided with board, lodgings, travelling and personal expenses. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home.

The pay of the Registered Manager/Matron of the Home is reviewed annually by the trustees. Her pay generally is increased in line with average earnings within St Mary's.

Structure, governance and management (continued)

Employees, volunteers and members

The trustees wish to record their recognition of the professionalism and commitment of all their staff and volunteers. Their dedication and positive approach is very much appreciated.

Report of the trustees (including the strategic report) approved by the trustees and signed on their behalf by:

Jennifer Goodeve

Trustee

Approved by the trustees on: 23 November 2021

St Mary's Convent and Nursing Home (Chiswick)

Registered Company Number: 03959483 (England and Wales)

Independent auditor's report to the members of St Mary's Convent and Nursing Home (Chiswick)

We have audited the financial statements of St Mary's Convent and Nursing Home (Chiswick) (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at **31 March 2021** and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charitable company through discussions with management and trustees and from our knowledge and experience of the sector. We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, The Code of Fundraising Practice, Safeguarding Regulations and the Care Standards Act 2001 and related legislation; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of the trustee board; and
- ◆ Enquiring of as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Auditor's responsibilities for the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Francis (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

2 December 2021

Statement of financial activities Year to 31 March 2021

| | Notes | 2021 Total funds £ | 2020 Total funds £ |
|---|-------|-----------------------------|-----------------------------|
| Income and expenditure | | | |
| Income from: | | | |
| Donations and legacies* | 1 | 204,474 | 240,262 |
| Investment income and interest receivable | 2 | 94,277 | 121,212 |
| Charitable activities | | | |
| . Nursing and residential home fees and other charges | 3 | 3,073,652 | 3,594,808 |
| Other sources | 4 | 347,188 | 86,342 |
| Total income | | 3,719,591 | 4,042,624 |
| Expenditure on: | | | |
| Raising funds | | 7,989 | 8,107 |
| Charitable activities | | | |
| . Provision of nursing and residential care | 5 | 3,707,665 | 3,663,172 |
| Total expenditure | | 3,715,654 | 3,671,279 |
| Net income before gains (losses) arising from investment revaluation and disposals | | 3,937 | 371,345 |
| Net gains (losses) on investments | | 655,503 | (361,982) |
| Net income and net movement in funds for the year | 7 | 659,440 | 9,363 |
| Reconciliation of funds | | | |
| Fund balances brought forward at 1 April 2020 | | 8,381,130 | 8,371,767 |
| Fund balances carried forward at 31 March 2021 | | 9,040,570 | 8,381,130 |

All recognised gains and losses are included in the statement of financial activities.

All of the charitable company's activities derived from continuing operations during the above two financial periods.

*Donations in the year to 31 March 2021 include £5,500 (2020 - £46,544) for restricted purposes. Further details of these are given in note 1 to the accounts.

Balance sheet 31 March 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|--|-------|------------------|------------------|-----------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 4,177,632 | | 4,189,374 |
| Investments | 11 | | 3,902,087 | | 3,255,549 |
| | | | 8,079,719 | | 7,444,923 |
| Current assets | | | | | |
| Debtors | 12 | 209,258 | | 186,844 | |
| Cash at bank and in hand | | 1,079,563 | | 1,043,288 | |
| | | 1,288,821 | | 1,230,132 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | (327,970) | | (293,925) | |
| Net current assets | | | 960,851 | | 936,207 |
| Total net assets | | | 9,040,570 | | 8,381,130 |
| Represented by: | | | | | |
| Funds and reserves | | | | | |
| Income funds | | | | | |
| Unrestricted funds | | | | | |
| . Designated funds | 14 | | 2,000,000 | | 2,000,000 |
| . Tangible fixed assets fund | 15 | | 4,177,632 | | 4,189,374 |
| . General funds | | | 2,862,938 | | 2,191,756 |
| | | | 9,040,570 | | 8,381,130 |

Approved by the trustees and signed on their behalf by:

Jennifer Goodeve

Trustee

Approved by the trustees on: 23 November 2021

St Mary's Convent and Nursing Home (Chiswick)
Registered Company Number: 03959483 (England and Wales)

Statement of cash flows Year to 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|-----------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | A | 154,574 | 458,122 |
| Cash flows from investing activities: | | | |
| Investment income and interest received | | 92,513 | 124,598 |
| Purchase of tangible fixed assets | | (224,977) | (202,878) |
| Proceeds from the disposal of tangible fixed assets | | 5,200 | — |
| Proceeds from the disposal of investments | | 733,868 | 706,571 |
| Purchase of investments | | (528,195) | (709,875) |
| Net cash provided by (used in) investing activities | | 78,409 | (81,584) |
| Change in cash and cash equivalents in the year | | 232,983 | 376,538 |
| Cash and cash equivalents at 1 April 2020 | B | 1,128,464 | 751,926 |
| Cash and cash equivalents at 31 March 2021 | B | 1,361,447 | 1,128,464 |

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

| | 2021 £ | 2020 £ |
|---|------------------|-----------|
| Net movement in funds (as per the statement of financial activities) | 659,440 | 9,363 |
| Adjustments for: | | |
| Depreciation charge | 223,178 | 222,210 |
| (Gains) losses on investments | (655,503) | 361,982 |
| Investment income and interest receivable | (94,277) | (121,212) |
| Surplus on disposal of tangible fixed assets | (3,299) | — |
| Increase in debtors | (20,650) | (67,350) |
| Increase in creditors | 45,685 | 53,129 |
| Net cash provided by operating activities | 154,574 | 458,122 |

B Analysis of changes in net debt

| | 2020 £ | Cash flows £ | 2021 £ |
|--|------------------|-----------------|------------------|
| Cash at bank and in hand | 1,043,288 | 36,275 | 1,079,563 |
| Cash held by investment managers | 85,176 | 196,708 | 281,884 |
| Total cash and cash equivalents | 1,128,464 | 232,983 | 1,361,447 |

Principal accounting policies Year to 31 March 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021 with comparative information given in respect to the year to 31 March 2020.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Critical accounting estimates and areas of judgement

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

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

- ◆ assessing the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ assessing the recoverability of any debts for residential and care home fees and the need for a provision against doubtful or bad debts;
- ◆ determining the assumptions adopted by the trustees and management in determining the value of any designations required from the charitable company's general unrestricted funds;
- ◆ determining the probability of the receipt of legacies which are measurable and to which the charitable company is entitled; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Principal accounting policies Year to 31 March 2021

Assessment of going concern

The global Covid-19 pandemic continues to be a challenge. The main impact of the pandemic on the finances of the Home has been in the lower-than-normal occupancy rate. As rooms became vacant during the first few months, the Home was unable to take in new residents. By the time the Home could welcome new residents the waiting list had been decimated by the pandemic. The Home encountered a great deal of hesitancy around people putting their relatives into a care home. The bad publicity surrounding the early crises in care homes and Covid-19 deaths had an impact. However, by new year 2021, after the 2nd lockdown and just before the third, there was considerable new interest in care home placements as families were exhausted by looking after relatives for a full year. There has also been an increase in requests for respite stays, and post-surgery convalescence. Where possible, the Home has accommodated these requests.

By March 2021 the Home was at 87% occupancy for Extra Care Beds but has remained at 75% in the Residential Unit.

During the lockdown periods of under-occupancy, the Home has been able to undertake a considerable amount of refurbishment and upgrading of rooms. The Residential Unit has been redecorated, new floors laid, rooms redecorated and new shower rooms added where possible. The Home continues to take all precautions necessary to protect residents and staff from infection.

The trustees do not know what the overall impact of Covid-19 will be on the charity. It is fortunate in having financial reserves and so the trustees do not have any doubts about the Home's ability to continue operating over the short to medium term.

The trustees of the charity have concluded that, notwithstanding the uncertainties surrounding the ongoing impact of the pandemic, there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due.

With regard to the next accounting period, the year ending 31 March 2022, the most significant issues that may affect the carrying value of the assets held by the charitable company excluding the pandemic are: the volatility in world investment markets which may cause the market value of the charitable company's investments to rise or fall; the level of local and central government funding for residential and nursing care for older people; and the cost of implementing any changes to the regulatory environment affecting care homes generally.

Income recognition

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

Income comprises donations, legacies, investment income, interest receivable, fees and related charges in respect to residential and nursing care provision and income from other sources including the surplus on the disposal of tangible fixed assets.

Principal accounting policies Year to 31 March 2021

Income recognition(continued)

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

In accordance with the Charities SORP FRS 102, no value has been placed on administrative and other services provided by the members of Saint Margaret's Convent (Chiswick) and other volunteers.

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

Entitlement is taken as the earlier of the date on which either: the charitable company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charitable company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable company has been notified of the executor's intention to make a distribution.

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

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

Fees and related charges in respect to the provision of residential and nursing care are measured at fair value of the consideration received or receivable being the invoiced amount excluding discounts and rebates. Provision is made against any amount deemed irrecoverable or where the debt is doubtful.

Income from other sources is measured at fair value and accounted for on an accruals basis.

Income from other sources includes contributions received from relatives staying overnight at the Home when visiting residents and rental income from staff. The income is recognised when receivable (being the date on which the accommodation was used) and when the charitable company has both confirmation of the amount and where receipt is considered probable.

Principal accounting policies Year to 31 March 2021

Income recognition (continued)

Income from the Coronavirus Job Retention Scheme and other Covid-19 related funding receivable is credited to the statement of financial activities when the charitable company is entitled to the funding and once the amount receivable has been quantified.

The surplus on the disposal of tangible fixed assets is calculated as the difference between the sale proceeds net of sale costs and the net book value of the asset immediately prior to disposal.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. Support costs, including governance costs, are allocated to expenditure on the provision of nursing and residential care. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees.
- ◆ Expenditure on charitable activities comprises expenditure on the charitable company's primary charitable purpose i.e. the provision of residential and nursing care facilities for the elderly at the Home

All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charitable company it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charitable company (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure on support and governance is attributed directly to the provision of nursing and residential care. Hence, there has been no apportionment between expenditure headings.

Principal accounting policies Year to 31 March 2021

Tangible fixed assets and depreciation

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation.

- ◆ Building improvements

Leasehold improvements represent expenditure incurred by St Mary's Convent and Nursing Home on the premises from which it operates. The freehold of this property is held by Saint Margaret's Convent (Chiswick), the charitable company's parent undertaking. The premises are occupied by the charitable company for an annual peppercorn rent. Depreciation is charged on property improvements at 2% per annum.

- ◆ Plant, fixtures and fittings and motor vehicles

Fixtures and fittings and motor vehicles are capitalised and depreciated at the following rates per annum based on cost in order to write off each asset over their useful economic life:

| | |
|-------------------------|------------------|
| ◆ Fixtures and fittings | 10-20% per annum |
| ◆ Motor vehicles | 20% per annum. |

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charitable company does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Principal accounting policies Year to 31 March 2021

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

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

Fund structure

The funds of the charitable company are unrestricted and therefore are available for use in furtherance of the charitable company's objectives at the discretion of the trustees. Within the total unrestricted funds of the charity are amounts which the trustees have designated for specific purposes and amounts representing tangible fixed assets. Details of these are provided in notes 14 and 15 respectively.

Pensions

The charitable company offers its employees membership of a defined contribution pension scheme administered by the National Employment Savings Trust (NEST). Contributions to the scheme are debited to the statement of financial activities in the year which they are payable to the scheme. The assets of the scheme are held by an independent corporate trustee, whose activities are governed by the National Employment Savings Trust Order 2010, made by the Secretary of State in exercise of powers confirmed under the Pensions Act 2008.

Notes to the financial statements Year to 31 March 2021

1 Donations and legacies

| | 2021 Total funds £ | 2020 Total funds £ |
|--|-----------------------------|-----------------------------|
| Donations from Saint Margaret's Convent (Chiswick) | 8,637 | 22,620 |
| Contributions from Saint Margaret's Convent (Chiswick) towards the living and personal expenses of the sisters | 129,350 | 124,800 |
| Other donations* | 54,487 | 67,842 |
| Legacies | 12,000 | 25,000 |
| | 204,474 | 240,262 |

*Included within donations and legacies are certain donations which were received for specific purposes as follows:

| | 2021 Restricted funds £ | 2020 Restricted funds £ |
|--|----------------------------------|----------------------------------|
| The purchase and installation of a new lift and lift repairs | 5,500 | 19,384 |
| The purchase and installation of a new chair lift and StairRiser | — | 14,520 |
| Renovation of the Sisters' bathroom | — | 11,640 |
| Miscellaneous purchases | — | 1,000 |
| | 5,500 | 46,544 |

The above donations were used within each of the two years for the purposes for which they were given – costs have been included as expenditure on the provision of nursing and residential care or additions to tangible fixed assets as appropriate.

2 Investment income and interest receivable

| | 2021 Total funds £ | 2020 Total funds £ |
|------------------------------------|-----------------------------|-----------------------------|
| Listed investments: | | |
| . UK fixed interest | 12,340 | 15,292 |
| . UK equities (including property) | 71,903 | 86,984 |
| . Overseas equities | 6,215 | 9,593 |
| . Overseas fixed interest | 3,105 | 6,456 |
| | 93,563 | 118,325 |
| Deposit interest | 714 | 2,887 |
| | 94,277 | 121,212 |

Notes to the financial statements Year to 31 March 2021

3 Nursing and residential home fees and other charges

| | 2021 Total funds £ | 2020 Total funds £ |
|-------------------------------|-----------------------------|-----------------------------|
| Gross fees | 3,212,788 | 3,729,315 |
| Less: subsidies and discounts | (139,136) | (134,507) |
| | 3,073,652 | 3,594,808 |

Subsidies and discounts arise in respect of those residents reliant on local authority or NHS funds where the fees paid fall short of the standard fees charged by the Home.

4 Other income

| | 2021 Total funds £ | 2020 Total funds £ |
|---|-----------------------------|-----------------------------|
| Covid-19 related income: | | |
| . Amounts receivable under the Coronavirus Job Retention Scheme | 103,968 | 7,591 |
| . Infection control and other COVID-19 related income | 212,953 | — |
| | 316,921 | 7,591 |
| Contributions from relatives towards overnight accommodation and related income | 6,574 | 29,161 |
| Rent paid by staff | 16,403 | 18,598 |
| Fundraising income | 1,921 | 14,565 |
| Other income | 5,369 | 16,427 |
| | 347,188 | 86,342 |

5 Provision of nursing and residential care

| | 2021 Total funds £ | 2020 Total funds £ |
|---|-----------------------------|-----------------------------|
| Direct care costs | | |
| . Staff costs (including training 2021: £16,326; 2020: £25,184) | 2,219,068 | 2,183,088 |
| . Medical costs | 107,017 | 60,911 |
| Accommodation costs and overheads | | |
| . Staff costs (kitchen and domestic) | 393,192 | 388,509 |
| . Provisions | 127,274 | 155,735 |
| . Depreciation | 223,178 | 222,210 |
| . Property and equipment repairs and maintenance | 259,840 | 251,567 |
| . Rates, insurance, gas and electricity | 108,557 | 110,525 |
| . Residents' welfare and chapel | 5,699 | 11,164 |
| Support costs | | |
| . Administration salaries | 101,891 | 109,497 |
| . Recruitment costs | 16,273 | 13,301 |
| . Printing, postage, stationery and telephone costs | 14,162 | 25,479 |
| . Car and travel expenses | 7,641 | 12,827 |
| . Professional fees (including governance costs (note 6)) | 74,763 | 84,987 |

Notes to the financial statements Year to 31 March 2021

| | | |
|----------------|------------------|-----------|
| . Other costs* | 49,110 | 33,372 |
| | 3,707,665 | 3,663,172 |

*Other costs include expenditure from restricted funds of £nil (2020 - £1,000).

6 Governance costs

| | 2021 £ | 2020 £ |
|------------|-------------------|-----------|
| Audit fees | 11,160 | 10,800 |

7 Net income before (losses) gains arising from investment revaluation and disposals

This is stated after charging

| | 2021 £ | 2020 £ |
|--|-------------------|-----------|
| Staff costs (note 8) | 2,697,552 | 2,655,910 |
| Depreciation | 223,178 | 221,210 |
| Auditor's remuneration (including VAT) | | |
| . Audit fees | 11,160 | 10,800 |
| . Other general advisory services | 19,186 | 18,463 |
| . Taxation advisory services | 495 | 1,560 |

8 Staff costs, staff numbers and key management personnel

| | 2021 £ | 2020 £ |
|-----------------------|-------------------|-----------|
| Salaries and wages | 2,423,230 | 2,389,359 |
| Social security costs | 204,714 | 198,976 |
| Pension costs | 69,608 | 67,575 |
| | 2,697,552 | 2,655,910 |

One employee earned £60,000 - £70,000 per annum (including taxable benefits but excluding employer's pension contributions) during the year (2020 - one).

The average and full time equivalent number of employees during the year was as follows:

| | 2021 | | 2020 | |
|------------------------------------|---------------------------------|----------------|-------------------------|---------|
| | Full time equivalent | Average | Full time equivalent | Average |
| Nursing and residential care staff | 86 | 106 | 89 | 106 |
| Management and administration | 2 | 3 | 3 | 3 |
| | 88 | 109 | 92 | 109 |

The trustees (who include the Reverend Mother who is also the Responsible Person and Chief Executive) consider that they, together with the Registered Manager/Matron of the Home, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

Notes to the financial statements Year to 31 March 2021

None of the trustees, including lay trustees, received any remuneration or reimbursement of expenses during the year (2020 - none).

Trustees gave donations totalling £200 in the year (2020 - £5).

8 Staff costs and numbers and key management personnel (continued)

Certain of the trustees are also members of Saint Margaret's Convent (Chiswick) and reside within the premises occupied by St Mary's Convent and Nursing Home (Chiswick). In accordance with their vows of poverty these sisters are provided with board, lodging, travelling and personal expenses. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home.

The total remuneration (including taxable benefits and employers pension contributions) of the Registered Manager/Matron for the year was £73,073 (2020 - £76,534).

9 Taxation

St Mary's Convent and Nursing Home (Chiswick) is a registered charitable company and, therefore, is not liable on income and gains derived from its charitable activities as they fall within the exemptions available to registered charities.

10 Tangible fixed assets

| | Building improve- ments £ | Plant, fixtures and fittings £ | Motor vehicles £ | Total £ |
|-------------------------|------------------------------------|--|------------------------|-------------------------|
| Cost | | | | |
| At 1 April 2020 | 4,616,693 | 1,117,479 | 61,600 | 5,795,772 |
| Additions | — | 200,687 | 12,650 | 213,337 |
| Disposals | — | (155,485) | (24,575) | (180,060) |
| At 31 March 2021 | <u>4,616,693</u> | <u>1,162,681</u> | <u>49,675</u> | <u>5,829,049</u> |
| Depreciation | | | | |
| At 1 April 2020 | 1,118,474 | 451,669 | 36,255 | 1,606,398 |
| Charge for the year | 102,150 | 110,497 | 10,531 | 223,178 |
| Eliminated on disposals | — | (155,485) | (22,674) | (178,159) |
| At 31 March 2021 | <u>1,220,624</u> | <u>406,681</u> | <u>24,112</u> | <u>1,651,417</u> |
| Net book values | | | | |
| At 31 March 2021 | <u>3,396,069</u> | <u>756,000</u> | <u>25,563</u> | <u>4,177,632</u> |
| At 31 March 2020 | <u>3,498,219</u> | <u>665,810</u> | <u>25,345</u> | <u>4,189,374</u> |

Building improvements represent expenditure on the premises from which St Mary's Convent and Nursing Home (Chiswick) operates. The freehold of this property is held by Saint Margaret's Convent (Chiswick), the charitable company's parent undertaking (note 17). The charitable company occupies the premises at an annual peppercorn rent.

At 31 March 2021 the charitable company had no capital commitments (2020 – none).

Notes to the financial statements Year to 31 March 2021

11 Investments

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| Listed investments | | |
| Market value at 1 April 2020 | 3,170,373 | 3,529,051 |
| Additions at cost | 528,195 | 709,875 |
| Disposals (proceeds: £733,868; realised gains £23,344) | (710,524) | (685,529) |
| Net unrealised investment gains (losses) | 632,159 | (383,024) |
| Market value at 31 March 2021 | 3,620,203 | 3,170,373 |
| Cash held by investment managers for reinvestment | 281,884 | 85,176 |
| | 3,902,087 | 3,255,549 |
| Historical cost of listed investments | 2,830,087 | 3,182,400 |

Listed investments held at 31 March 2021 comprised the following:

| | 2021 £ | 2020 £ |
|-----------------------------|------------------|-----------|
| UK listed investments | | |
| . Fixed interest | 339,360 | 356,475 |
| . Equities | 1,832,439 | 1,850,791 |
| Overseas listed investments | | |
| . Fixed interest | 74,250 | 215,125 |
| . Equities | 1,374,154 | 747,982 |
| | 3,620,203 | 3,170,373 |

All listed investments were dealt in on a recognised stock exchange. At 31 March 2021 listed investments included the following individual holdings deemed material when compared with the overall portfolio valuation as at that date.

| | 2021 Market value of holding £ | 2021 Percentage of portfolio % | 2020 Market value of holding £ | 2020 Percentage of portfolio % |
|--|--|---|--|---|
| Baillie Gifford American B Nav Inc | 226,712 | 6.26 | 110,323 | 3.48 |
| Charities Property Fund Property Fund Income | 205,227 | 5.67 | 208,313 | 6.57 |
| Findlay Park Funds Plc American US\$ Dis | 181,084 | 5.00 | 141,091 | 4.45 |
| Vanguard Investment S&P 500 UCITS ETF Income units | 240,900 | 6.65 | 176,924 | 5.58 |

Notes to the financial statements Year to 31 March 2021

12 Debtors

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Nursing and residential care fees | 49,514 | 46,171 |
| Donations and legacies receivable | 12,000 | 36,640 |
| Accrued income | 31,288 | 29,763 |
| Prepayments | 62,773 | 43,302 |
| Amount due in respect to the Coronavirus Jobs Retention Scheme | — | 7,591 |
| Other debtors | 53,683 | 23,377 |
| | 209,258 | 186,844 |

13 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Expense creditors | 125,259 | 60,898 |
| Fees received in advance | 15,141 | 66,151 |
| Funded Nursing Care repayable | 11,983 | — |
| Taxation and social security costs | 47,216 | 52,111 |
| Accruals and other creditors | 128,371 | 114,765 |
| | 327,970 | 293,925 |

14 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | At 1 April 2020 £ | New designations £ | Utilised/ released £ | At 31 March 2021 £ |
|---|----------------------------|--------------------------|----------------------------|-----------------------------|
| Residential and nursing care fund | 900,000 | 27,000 | (27,000) | 900,000 |
| Building maintenance and improvement fund | 1,100,000 | 33,000 | (33,000) | 1,100,000 |
| | 2,000,000 | 60,000 | (60,000) | 2,000,000 |

| | At 1 April 2019 £ | New designations £ | Utilised/ released £ | At 31 March 2020 £ |
|---|----------------------------|--------------------------|----------------------------|-----------------------------|
| Residential and nursing care fund | 900,000 | 27,000 | (27,000) | 900,000 |
| Building maintenance and improvement fund | 1,100,000 | 33,000 | (33,000) | 1,100,000 |
| | 2,000,000 | 60,000 | (60,000) | 2,000,000 |

The residential and nursing care fund comprises monies set aside to generate income towards meeting some of the shortfall in the fees paid by local authorities towards the cost of providing care. Income generated from the funds invested is added to the fund and withdrawn to the extent that it is needed to meet any shortfall.

The building maintenance and improvement fund represents monies set aside by the trustees to generate income towards the cost of maintaining the buildings to a standard appropriate to meet the needs of the residents and the sisters.

Notes to the financial statements Year to 31 March 2021

15 Tangible fixed assets fund

| | 2021 Total funds £ | 2020 Total funds £ |
|---------------------------|-----------------------------|-----------------------------|
| At 1 April 2020 | 4,189,374 | 4,201,266 |
| Movements during the year | (11,742) | (11,892) |
| At 31 March 2021 | 4,177,632 | 4,189,374 |

The tangible fixed assets fund represents the net book value of St Mary's tangible fixed assets. A decision was made to separate this fund from the general fund of the Home in recognition of the fact that the tangible fixed assets are essential to the day to day work of St Mary's. The value represented by such assets, therefore, should not be regarded as realisable with ease, in order to meet future contingencies.

16 Analysis of assets between funds

| | General fund £ | Tangible fixed assets fund £ | Designated funds £ | Total 2021 £ |
|---|----------------------|--|--------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | |
| Tangible fixed assets | — | 4,177,632 | — | 4,177,632 |
| Investments | 1,902,087 | — | 2,000,000 | 3,902,087 |
| Current assets | 1,288,821 | — | — | 1,288,821 |
| Creditors: amounts falling due within one year | (327,970) | — | — | (327,970) |
| Total net assets | 2,862,938 | 4,177,632 | 2,000,000 | 9,040,570 |

| | General fund £ | Tangible fixed assets fund £ | Designated funds £ | Total 2020 £ |
|---|----------------------|--|--------------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | |
| Tangible fixed assets | — | 4,189,374 | — | 4,189,374 |
| Investments | 1,255,549 | — | 2,000,000 | 3,255,549 |
| Current assets | 1,230,132 | — | — | 1,230,132 |
| Creditors: amounts falling due within one year | (293,925) | — | — | (293,925) |
| Total net assets | 2,191,756 | 4,189,374 | 2,000,000 | 8,381,130 |

Notes to the financial statements Year to 31 March 2021

16 Analysis of assets between funds (continued)

| | 2021 £ | 2020 £ |
|---|-----------------|-----------|
| Unrealised (losses) gains included above: | | |
| On investment assets | 790,116 | (12,027) |
| Reconciliation of movements on unrealised gains on investment assets | | |
| Unrealised gains at 1 April 2020 | (12,027) | 501,272 |
| Add: Unrealised gains arising in the year | 632,159 | (383,024) |
| Less: in respect of disposals in year | 169,984 | (130,275) |
| Unrealised (losses) gains at 31 March 2021 | 790,116 | (12,027) |

17 Parent undertaking and related party transactions

Until midnight on 31 March 2020, the voting members of the Chapter of Saint Margaret's Convent (Chiswick) were the members of the charitable company. As such, until midnight on 31 March 2020, the Anglican religious community known as Saint Margaret's Convent (Chiswick) was regarded as the charity's parent undertaking. With effect from midnight on 31 March 2020, the charitable company's sole member became Saint Margaret's Convent (SSM Chiswick) CIO (the CIO). The members of the CIO are the members of the Chapter of Saint Margaret's Convent (Chiswick).

The sisters who are trustees of St Mary's Convent and Nursing Home (Chiswick) are also voting members of the Chapter of Saint Margaret's Convent (Chiswick) and trustees of Saint Margaret's Convent (Chiswick) (Charity Registration No 231926) and of its successor charity Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No 1188112).

The freehold of the premises from which the Home operates was owned by Saint Margaret's Convent (Chiswick) (Charity Registration No 231926) until midnight on 31 March 2020 when it transferred to Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No 1188112). The charity occupies the premises for an annual peppercorn rent in accordance with a written Memorandum of Understanding.

The Sisters who are trustees of St Mary's Convent and Nursing Home (Chiswick) reside within the premises occupied by the charitable company. In accordance with their vows of poverty the sisters are provided with board, lodgings, travelling and personal expenses. Until September 2014, pensions received by the sisters were donated to the charitable company. Since then, Saint Margaret's Convent (Chiswick) (Charity Registration No 231926) has donated monies to the charitable company towards the living and personal expenses of the sisters. The sisters receive no other benefit in money or in kind. They receive no salary for the work they do at the Home. If the work performed by the Reverend Mother as Chief Executive had to be carried out by lay employees the cost would approach £100,000 per annum.

17 Parent undertaking and related party transactions (continued)

The charitable company has taken advantage of the exemption given by FRS 102 and, therefore, has not given details of transactions with its parent undertaking. The exemption has been taken because the consolidated accounts of the parent undertaking, Saint Margaret's Convent (Chiswick) (Charity Registration No 231926), which includes St Mary's Convent and Nursing Home, have been prepared and are available from the Charity Commission website.

Other than those with its parent undertaking and those described in note 8 to these financial statements, there were no other related party transactions in the year (2019 - none).

With effect from midnight on 31 March 2020; the activities, assets and liabilities of Saint Margaret's Convent (Chiswick) (the unincorporated charity) were transferred as a going concern into a newly formed Charitable Incorporated Organisation (CIO), Saint Margaret's Convent (SSM Chiswick) CIO (Charity Registration No. 1188112). The transfer was in accordance with an Order issued by the Charity Commission and with a legal deed of transfer.

18 Liability of the member

During the prior year, the voting members of the Chapter of Saint Margaret's Convent (Chiswick) were the only members of the charitable company. With effect from midnight on 31 March 2020, the charitable company's sole member became Saint Margaret's Convent (SSM Chiswick) CIO (the CIO). The members of the CIO are the members of the Chapter of Saint Margaret's Convent (Chiswick).

The liability of the member is limited. If the charity is dissolved, the member may be required to pay up to £1 towards both the costs of dissolution and the liabilities incurred by the charity during the period of membership or twelve months thereafter.

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