

It all adds up to

Livability

Annual report

April 2020 - March 2021

Registered Charity 1116530

Company Registration Number 5967087

Letter from the Palace



BUCKINGHAM PALACE

As Patron of Livability, I am aware that this year the charity has been faced with unprecedented challenges. During this time the work of Livability was never more needed or urgent. Whilst worldwide we were experiencing a pandemic, at a local level, Livability services remained open 365 days of the year for the most vulnerable.

The Coronavirus pandemic changed life for everyone. Its effect was felt in every home, but people with disabilities were among the hardest hit, often having a higher risk of developing life-threatening complications. Livability remained on the frontline, providing care, nursing, education and support for those who needed it most during this crisis.

Through the Star Carers appeal I have seen just how much the support of local communities, supporters and volunteers has meant during this time. Supporters provided vital Personal Protective Equipment to keep people safe. Grants supported care homes, such as Livability Talbot Manor, with accessible garden furniture to enable residents to enjoy the outdoor area during lockdown. The use of new technological devices helped to boost wellbeing by ensuring connections could continue virtually with family members and friends.

Care staff worked incredibly hard to ensure those supported received the same high quality of care, stayed safe, and remained healthy. Teachers and lecturers adopted innovative digital ways of working to maintain the benefits of learning. It is fitting that we all recognised and valued key frontline workers across the nation.

I thank and congratulate all staff, volunteers and supporters on their achievements in an incredibly difficult year.

It all adds up to



A message from Livability's Chair and Chief Executive Officer

After a year like no other, we present the Livability Annual Report for the year 2020-2021.

The first Coronavirus pandemic lockdown aligned itself with the beginning of the fiscal year, although there was nothing corporate about its continued tenure as the months ticked by.

Stakeholders and supporters can, however, be assured that the Livability responses to the pandemic were robust, sustained, and met the standards set out by the government that affect our services in England, Wales and in Northern Ireland. Staff rose to the challenges like never before and highlighted that the people we support are truly at the centre of all we do.

As populations retreated to remote spaces and hunkered down, our frontline workers dug deep to protect the children, young people and adults in their care.

In those first few weeks and months, Livability spent more than £400k on Personal Protective Equipment (PPE), never to see it reimbursed. Like many charity organisations, we felt the need to set up an Emergency Appeal, unsure where the world was taking us, and anticipating the cancellation of our vital fundraising events.

If we take anything from the harsh realities of last year, it is that from adversity springs kindness and ingenuity; we saw this again and again, even at our lowest times. Ad hoc concerts, new ways of learning, gifts of PPE and scrubs, and staff willing to be redeployed to the area of greatest need. At the height of lockdown, some members of care staff temporarily 'moved in' with residents to lessen the risks to their collective health, all for the greater good.

We believe the founding fathers of Livability would be proud of our rallying response during 'the year like no other'.

A handwritten signature in black ink that reads "Kate Clare".

Kate Clare, Chair of Trustees

A handwritten signature in black ink that reads "Sally Chivers".

Sally Chivers, Chief Executive

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Trustee Report

Principal activities, core values and objects

About Livability

Livability exists to support people with disabilities to live a life that adds up for them. Working with those inspirational people, we dismantle barriers and create wellbeing and inclusion for all. We deliver a wide range of care, education, vocation and rehabilitation services, and grow community connections.

Our vision

Inspired by the Christian faith, our vision is of a barrier-free society where all people can flourish and participate.

What motivates us to act

We find barriers continue to be present for people with disabilities; there is evidence that barriers can exist in relation to obtaining employment, to learning, to having a safe place to live, to receiving appropriate care and support. Above all, we seek to remove obstacles to choice and to provide full participation. Everyone has the right to use his or her talents, skills and gifts in fruitful ways and to participate in ways of their own choosing.

Livability – It all adds up

As a charity, we enable each person we support to put the elements in place for a life that 'adds up' for each of them. Of course, what makes life livable is never down to just one thing - it's the sum of many things. From friendship to fun; from companionship to community; from a great chat to a challenge overcome – it all adds up to Livability.

Through the approach we take, the services we deliver and the values we live by, we commit to connecting people with their community, working for inclusion, promoting wellbeing and creating a life that adds up for each supported child, young person or adult.

Our Christian ethos

Our Christian ethos is in our DNA – it's why we were founded 170+ years ago and it's why we still exist today. We remain as inspired and challenged as our founders were by the radical message of Jesus Christ. However, we are clear that Livability welcomes people from all faiths and none.

Beyond our work with local authorities and Clinical Commissioning Groups (CCGs), we partner with people and organisations who share our core values, particularly with local churches, faith groups, and corporate businesses.

Our distinctiveness is shaped by our values - being open and inclusive; being enabling for those we support and for our staff, and being further defined by our courage.

Livability is delighted to have as its President The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury. Livability is honoured to have as its Patron HRH The Princess Royal.

Our impact shown through our values

As we continue to work in a global pandemic, this year has forced us to embody our values more than ever before. Whilst our frontline services focused on providing services to the most vulnerable, we moved our work from a state of emergency, ensuring that we kept our residential care services open each day, to helping the people we support talk virtually with friends and families, and continued to adapt in line with government guidance as these unprecedented times unfolded and we get acquainted with 'new normal'. Our Education services remained open for students who were not shielding and we are proud of the low infection rates in all our adult services and education settings.

Operations

The reach of our work

- We delivered 1.4 million support hours across the year.
- We provided care to people at home or in the community to over 70 people.
- We operated over 37 shared supported living services.
- We supported 10 people to live in their own home 24 hours a day.
- One new service opened during the pandemic in Wrexham
- We have picked up 15 new packages of support across the year
- We introduced a new electronic care planning system to over 150 people we support.

Our Impact shown through our values

We are open

- We have worked hard with our staff to keep them and the people we support safe during the pandemic. During the financial year, we issued 63 Covid/Operational briefings to our frontline delivery teams and held 17 virtual briefings with frontline managers.
- We carried out our annual survey with the people we support and their families, and shared and consulted on the results, reflecting initial feedback with actions carried out during the year.

We are inclusive

- We continued to roll out our new electronic care planning system, Log my Care. This allows greater access for the people we support to access their care plan and see what has been recorded in their daily notes, helping us to continue to champion one of our mottos: 'Nothing about me without me'.
- We did the groundwork on launching a social media platform for the people we support, so they can tell us what they think, connect with other people and see what we are planning for the future.

We are enabling

- We continue to deliver services during the pandemic, delivering over 1.4 million support hours across the year. We were able to do this safely using 350,000 aprons, 350,000 face masks and 750,000 pairs of gloves.
- We continued to open new services using dynamic risk assessments during the pandemic, ensuring people were still given opportunities to thrive.
- We did the groundwork to set up a forum for the people we support which launched in September 21.

We are courageous

- We restructured our adult service management to give us a sustainable model for the future.
- We developed a senior operational leadership structure, developing new roles to ensure we had the expertise to shape new delivery models.
- We reviewed our chaplaincy model to ensure that the people we support are at the heart of our offer.

Education

Learners come to us through local authority or family/self-referral and we work closely within our wider organisation to benefit from the skills and experience of our Adult Care Directorate. Our programmes of study are based on enabling learners to develop skills for adult life, extending friendships and providing opportunities for personal development, as well as the opportunity to make a contribution to the communities we share.

Learners choose to come to a Livability Education setting to find and fulfil their potential and to lead a flourishing life. We improve the 'life sum' of all students and staff who are part of our close family of schools and colleges. We do this by

recognising and acknowledging the individual needs, aspirations and skills of each learner. We spend time getting to know our students and their families so that we can develop personalised programmes of study. We are passionate in our desire to reduce social, employment and health inequalities and are aspirational for our learners, our staff and our services.

Our plans for the next phase of our journey involve consolidating the Education Directorate as a group of education settings who understand the challenges our young people face and then, sensitive to need, deliver high impact outcomes via authentic, relevant and purposeful learning experiences. We will develop our ability to support lifelong learning for all who live, learn and work with us as part of our Livability family.

We are open

- Open conversations with staff enabled continued engagement throughout a period of uncertainty during the pandemic, ensuring reporting and recording obligations were met and that staff felt safe.
- Ongoing and open dialogue with stakeholders retained the support of commissioners and families throughout the pandemic, resulting in continued placements and support for learning.

We are inclusive

- We were able to review our consultation processes and enable Livability Education settings to offer places to over 80% of student applications.
- The Livability Nash College curriculum was further developed this year to provide a more personalised provision that has a focus on meeting the individual needs of all learners, based on their own aims and goals.
- Where necessary, Livability Education settings offered remote learning and therapeutic support throughout the pandemic that enabled all learners to continue to feel part of the student body.

We are enabling

- During the pandemic, we produced dynamic risk assessments and protocols to ensure education settings remained open for students who could not be safely looked after at home.
- Education settings quickly assimilated large quantities of rapidly changing government guidance in order to ensure the safety and continued progress of learners throughout the pandemic.
- Education settings designed and delivered recovery programs to support learners who had experienced trauma during the pandemic, minimising lost learning.

- **We are courageous**

- Following a full review of all aspects of the therapeutic provision at Nash College, a new model of therapeutic support was designed.
- Our Livability Education settings produced detailed plans for quality improvement that provide the foundation for continuous improvement and recognise the challenges ahead.
- We developed quality assurance strategies that support accountability and ownership of the work we do.

Our Objects

Livability is established for the public benefit and for charitable purposes, according to the laws of England and Wales. The objects of the charity are to:

- To assist or educate any person in charitable need and, in particular but without limitation, any person with disabilities and the parents, guardians and carers of such people by whatever means.
- To provide facilities, support, advice and assistance for Christian congregations, other Christian groupings and community groups seeking to alleviate charitable needs.
- These objects are pursued in each case in a manner which authenticates the Christian faith and its moral principles, in a spirit of love and practical Christian service.

Activities

We are proud to operate:

- 11 registered locations providing domiciliary care
- 49 supported living services
- 25 high-quality residential care homes, four of which offer nursing care
- 11 day services
- Brain injury and spinal cord injury rehabilitation services
- A special Further Education College for young people with disabilities, with registered care provision
- A special school for children with disabilities
- Chaplaincy outreach services that operate within our social care and special education services

Public benefit

Trustees have complied with their duties to have regard to the public benefit guidance (published by the Charity Commission), in exercising powers and duties to which the guidance is relevant. In preparing this report and the accounts, Trustees have demonstrated their compliance with the requirements set out in the guidance by:

- Providing a review of the significant activities undertaken by the charity to carry out its purposes for the public benefit.
- Providing details of purposes and objectives.
- Providing details of the strategies adopted and activities undertaken to achieve the purposes and objectives.
- Providing details of the achievements by reference to the purposes and objectives.

Structure, governance and management

Livability is a charity registered in England, number 1116530, and a company limited by guarantee registered in England and Wales, number 5967087. It is governed by its Articles of Association dated 7 November 2013. In the event of winding up, each Member's liability is limited to £1. Livability was established in 2007 as a merger of The Shaftesbury Society and John Grooms.

Group structure

Livability is the parent charity of a group of charities and operating companies. Operating subsidiary charitable companies in the group are:

- **Kingsley Hall Church and Community Centre**, providing community services in Dagenham, East London.
- **The Shaftesbury Society** A disability charity with investment income.

The active subsidiary trading companies in the group are:

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

Livability and its subsidiary charities also include the assets, liabilities, funds, income and expenditure of a number of charitable trusts that are linked to the charitable companies in the group, through linking directions from the Charity Commission. These charities are set out in note 14 to the accounts.

The Board of Trustees

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

All trustees are non-executive directors who serve a maximum of three terms of three years. Trustees are appointed initially by the Board of Trustees, and then reappointed at the charity's Annual General Meeting (AGM).

Each Trustee gives his or her time voluntarily and receives no benefits for Livability (but may claim reasonable expenses).

The Board ensures its Trustees provide the experience and skills required to perform its critical role effectively.

There is a programme of training linked to Trustee appraisals and a formal Board review. There are two away-days in each annual governance cycle to ensure matters of strategic significance are considered in depth.

The Board's business meetings are held quarterly. Monitoring of the performance of key areas of activity is delegated to sub-committees and to local boards of governors. These include Trustees and members, appointed for their expertise and knowledge in their specific area of responsibility.

Chief Executive Officer

The CEO is responsible to the Board for the direction of the activities and the performance of Livability in meeting the strategic goals set by the Trustees and in compliance with the policies set by the Board.

The Executive Leadership Team (ELT) is responsible for strategic oversight and leadership of the charity; it comprises the CEO, the Executive Directors of Operations; Finance; People & Transformation; Education and the Company Secretary, during the year. Following the year end with the departure of the Executive Director of People & Transformation and the Company Secretary the ELT made interim arrangements for leadership in these areas, pending the recruitment of their successors.

Livability's People Agenda

Our working focus is to support and deliver to staff and managers on our key strategic aims of:

- Wellbeing – ensuring that our staff teams and volunteers are provided with all resources to support their physical and mental health to reach their potential.
- Retention – reviewing our employment and development offer to retain talent and attract new recruits.
- Employee Relations – working to our People Policies, we aim to create and maintain positive working relationships.
- Learning and Development - equipping all staff with relevant learning to deliver strong leadership and high quality care.

Livability Gender Pay Gap for 2020/2021

- In 2019/2020, the mean hourly rate was 3%: this figure has decreased to 1.11%.
- The median hourly rate has increased to 7.4% from 2% 2019/2020.
- Our median pay gap is 0%.

The difference in mean and median bonus pay remains at 0%, as our charity does not pay bonuses to staff.

Pay quartiles

The number of paid male and female in the four pay quartiles (upper, upper middle, lower middle and lower quartile) for 2020/2021 and 2019/2020 are as follows:

- Upper quartile in 2020/21 was 21% (male) and 79% (female) and 26% (male) and 74% (female) for 2019/20. This shows a slight decrease in the number of females and a slight increase in the number of males in this category, compared to last report.
- Upper middle quartile in 2020/21 was 19% (male) and 81% (female) and 20% (male) and 80% (female) for 2019/20. There is a slight decrease in the number of females in this category and a slight increase in the number of males in this category, compared to last report.
- Lower middle quartile in 2020/21 was 19% (male) and 81% (female) and 19% (male) and 81% (female) for 2019/20.
- Lower quartile in 2020/21 was 26% (male) and 74% (female) and 17% (male) and 83% (female) for 2019/20. This shows a 9% decrease in the number of males in this category, compared to 2019/20 figure and a 9% increase of females in this category compared to 2019/20.

Livability will continue to monitor its employment and remuneration to ensure that pay is based on fairness.

Employment of people with disabilities

Currently, 2.6% of Livability employees have declared themselves to have a disability, a slight reduction from last year by 0.16%. We want to continue to increase the number of people with disabilities who work for us. As a Disability Confident Employer (level 2), we commit to making adjustments to meet the needs of job applicants with disabilities, employees and volunteers. We work with our staff with disabilities to ensure that they are able to remain in employment.

However, we have more to do to promote employment of people with disabilities in the charity; we involve employees with disabilities, volunteers and the people who use our services, in making the charity an organisation that people want to work for. We support volunteering opportunities in a number of our services and offices across the organisation. We also provide services to support people with disabilities back into the workplace, through specialist work skills development and work experience programmes.

Senior executive pay

Senior pay levels reflect the size and complexity of the organisation and the range of work carried out in health and social care with clinical and nursing services, special education provision and professional support services. Livability has noted the recommendations of the report of the National Council for Voluntary Organisations (NCVO) into senior executive pay. The Nomination, Remuneration & Governance sub-committee of the Board has reiterated the policy of the charity to set pay levels in line with median pay rates for the sector. Note 6 to the accounts shows the numbers of employees earning more than £60,000 in bands of £10,000.

Our approach to pay as an organisation is as follows:

1. Our key priority is to be a real living wage provider and as such, we give priority to having pay scales to reflect this for our lowest rate of pay.
2. We mirror the national terms and conditions for teachers where we are able (but not all terms). Again, this is based on affordability.
3. We implement recruitment and retention initiatives for hard-to-fill roles in our frontline services.
4. For growth-driven roles, such as Area Managers, we link pay to growth.
5. We apply the Hay evaluation process for all other roles, to ensure pay is reflective of role requirements and pay is equitable and fair.

Volunteers

Around 106 volunteers contributed to Livability's work in the past year and we are grateful to them for the vital role they play in our work. Volunteering was heavily impacted during this reporting period as the risk of Covid-19 infection increased with the outside support of volunteers, and services could not enjoy their support as usual.

Volunteers were only permitted onsite at services or to our National Office when government advice allowed them to do so.

However, as infection rates declined, Friends Groups slowly started to join together again and new roles for volunteers were shaped to recruit to the Chaplaincy Team, and in Operations to support with activities with the people we support, virtually if not in service, as well as fundraising.

Of course, we also are supported by our Trustees working as volunteers, where we benefit from their commitment and expertise which is integral to the charity and the people we support.

We promote our volunteering on our website here: www.livability.org.uk/volunteer.

We continue to seek ways for more people to support our services and the work we do.

Fundraising

2020-21 was an extremely challenging but also very rewarding year for the fundraising team. Whilst the Coronavirus pandemic had an impact on key fundraising income channels such as events and community fundraising, the team pulled together to not only mitigate these circumstances but also deliver an extremely successful emergency appeal that performed above target. All of this would not be possible without the generosity of our supporters, many of whom were more generous than ever in the course of this year.

Our approach

Our approach to fundraising puts the supporter at the heart of everything we do, seeking to build longterm relationships and supporters have control over how they hear from us. We do our utmost to ensure all our activities are supporter-led and always give careful consideration to how they may be perceived by supporters and the public.

We plan our fundraising effectively, ensuring our fundraising strategy reflects our values and the costs associated with our fundraising. We also work together as a team to monitor progress against our goals and manage key risks.

We work with approved partners, and our payroll-giving programme enables supporters to give as they earn through their salary if they choose to. To ensure a good supporter experience, we monitor fundraisers acting on our behalf. We provide guidelines, policies and dedicated support to fundraisers acting for us in communities.

We have effective systems in place including performance management to ensure our employed fundraisers can be effective in their role and embody our organisational values. We ensure volunteers acting on our behalf in our office and within the community represent our charity in the best way, through providing policies, guidelines and dedicated support.

Fundraising standards

Our commitment to high fundraising standards is demonstrated by our individual staff membership of the Institute of Fundraising (IOF) and organisational membership of the Fundraising Regulator, who set and maintain the standard for charitable giving. We have also signed up to the Fundraising Preference Service, where supporters can manage the communications and fundraising requests they receive from charities.

We vigilantly adhere to regulation standards and General Data Protection Regulation (GDPR), both generally and in our fundraising practices. Our governance also extends to how we protect vulnerable people in the context of fundraising. Our People in Vulnerable Circumstances (PIVC) Policy makes sure

that there is no undue pressure to give in the course of, or in connection with, fundraising for Livability.

We aim for everyone to have a positive fundraising experience and are pleased to have a low level of fundraising complaints. As in previous years, in 2020-21 we received no formal complaints; we are very proud of our outstanding supporter experience and customer service in this field. In the event that complaints are escalated to the Fundraising Regulator, we will follow their procedure for handling complaints.

We ensure supporters can clearly opt out of receiving communications within all our communications and train our fundraisers on GDPR regulations and on our policies and guidelines.

Fundraising highlights

We are very grateful for all the generous support we received in 2020-21 from all our supporters, helping to ensure we continued to deliver excellent care in unprecedented times. The generous donations received helped us to ensure the wellbeing of people we support, many of whom are vulnerable, ensuring they remained connected with their families and community. Some highlights from fundraising activities carried out within the year included:

- Our emergency appeal raised over £390K towards our emergency response to Coronavirus, enabling us to provide vital personal protection equipment (PPE) and support to ensure an excellent standard of care was provided for the people we support, during the pandemic.
- We also kick-started a new appeal for technology to support our schools and services with assistive and smart technology devices, as well as enhanced broadband and wi-fi infrastructure to enable the people we support to remain better connected with family, friends and their communities. The appeal performed extremely well, exceeding target within months and raising over £300,000 due to generous gifts from community foundations and supporters, major donors, trusts and corporate foundations.
- Thanks to the support of over 4,000 donors, who give regularly by standing order or direct debit, we were able to support people with disabilities in the pandemic as well as plan for the future.
- As gifts in Wills continue to account for over half of our fundraising income, promoting this avenue of support is a priority. We participated in the annual Remember a Charity campaign, promoting leaving a gift in your Will to Livability, as well as running our first virtual supporter event to promote legacies. We also worked with Remember a Charity to promote our emergency appeal on social media, reaching new audiences of over 120,000.

- Although Coronavirus had a significant impact globally on fundraising events, with the London Marathon postponed into the following year, we quickly adapted, launching a series of virtual events including The 2.6 Challenge, and our first Virtual Carol Service, which was a huge success with over 300 registrations from individuals and families joining us across the UK. We also promoted our first virtual walking challenge 'One Million Steps' with over 30 participants taking part and raising over £13,000.
- Our Christmas 'Star Carers' appeal captured hearts and minds by showcasing the hard work and dedication of our hardworking carers in the course of the year. The appeal exceeded budget, successfully raising over £64K.
- Our Corporate Fundraising performed extremely well in the pandemic, with generous gift in kind donations of PPE from Masks for NHS Heroes, ensuring our services remained well-stocked.
- Our community fundraising team continued to increase income year on year despite the impact of the pandemic, shifting focus to grant applications and support from community foundations, in response to immediate needs within our services.
- Although traditional community fundraising was heavily impacted by the pandemic also, our 'Friends' groups continued to deliver activities to support our efforts in the pandemic. Friends of Dolphin Court made handmade scrubs for our frontline teams and others continued their local fundraising to provide activities for extra help in keeping people we support entertained and stimulated.

Quality and practice development

We have strengthened our quality team and continue to develop our quality strategy. The team now consists of the head of quality improvement, two senior quality improvement partners, two quality improvement partners and two quality auditors. The core quality roles are evenly split between our two regions, North & West and South & East.

The team was formed in the midst of the pandemic, with some team members joining at various times, as they balanced the needs of their former role. The substantive team has been in place since November 2020.

Members of the team supported our Covid-19 response by writing operational guidance and supporting our designated Covid-19 team.

We quickly adapted to Covid-19 restrictions and lockdowns. To ensure that we continued to meet organisational and regulatory requirements, we developed a desktop audit tool. This enabled us to assess the quality of electronic and paper-based records and systems remotely. We also developed a site-based audit tool in readiness for restrictions lifting.

Between November 2020 and March 2021, we undertook 35 desk-top audits. Zoom meetings were held with local management teams to discuss the findings of our audits.

Our approach to continuous improvement includes identifying themes from our audits and sharing these and best practice through discussion in our monthly quality support calls with local managers, presenting information at monthly regional meetings and including information in our operational briefings. Our joined-up approach ensures a consistent way of ensuring organisational quality and improvement across our adult service.

We also held Zoom sessions and produced supporting materials to discuss key areas of practice with our managers. A particular area of focus throughout the year was safeguarding. We participated in National Adult Safeguarding week and focussed on the Making Safeguarding Personal approach. We held Zoom sessions for our staff teams and provided information about the approach, as well as other materials to support good, effective safeguarding practice.

The need for people we support to know about and understand our safeguarding approach is vital. We produced easy-read materials to help with understanding restrictions and new measures, and held daily Zoom sessions for people we support. People we support told us that they feel safe within our services and know-how, and to whom they should report any safeguarding concerns.

The voice and needs of the people we support remain central to all we do. We recognised the impact of Covid-19 and the difficulties this brought to people we

support. We produced a range of easy to read materials to help people we support understand restrictions and other changes they may see, for example, staff wearing PPE.

Lockdown restrictions meant that the people we support could not go out and do the things they usually enjoyed. We organised Zoom 'lockdown together' sessions and provided Zoom session for the people we support, three times per week. These sessions enabled people across the Livability family to connect and form real friendships. We ran a session on Christmas Day which a number of people joined. The session included reading and signing the Christmas story. There were lots of smiles and Christmas jumpers from people we support and our dedicated staff teams. It was clear that our staff teams had gone over and above to make Christmas as special as possible in unprecedented times.

Financial outlook

The period under review continued to be a challenging one, negotiating the ongoing conditions presented by the evolving Covid-19 situation. This obviously had a significant impact on the charity's finances but, as evidenced in later commentary, major steps forward were made over the course of the year as a result of the efforts of our Executive Team and all the staff. While much remains to be done, we have taken major strides forward.

Covid-19 funding

These financial statements include the financial benefits of accessing government/local authority funds to support the care sector during the period of the pandemic.

The Infection Control Fund (ICF) has taken centre stage in this regard. A total of £1,501,214 has been received during the 2020-21 financial year to support infection control, rapid testing and workforce capacity due to Covid-19.

We have benefitted to a lesser extent (£465,525) from the Coronavirus Job Retention Scheme (furlough) and the care workers bonus scheme. This and free PPE are accounted for within charitable income.

Going Concern

The trustees have adopted the going concern basis in the preparation of these financial statements. In reaching this decision, the trustees have given consideration to the charity's forecasted cash flow projections covering a period of at least 12 months from the date of signing of the financial statements, prepared against the backdrop of Covid-19.

Since 31 March 2021, Livability has generated proceeds from property sales of £7.5m and has reached an agreement in principle with Metro Bank regarding new funding arrangements from March 2022 which has received credit approval. These were the main areas of material uncertainty at the date of finalising the Report and Accounts for 2020 in August 2021.

The programme of property disposals is not yet complete and the additional income to arise from that, together with continuing operational improvements (notwithstanding the adverse impacts of Covid-19), underline the confidence of the Trustees that the latest cash flow forecast remains achievable.

The Trustees continue to monitor the delivery of the improvement plan and, given the latest progress achieved on the planned actions, the Trustees believe that it remains appropriate to prepare the accounts on a going concern basis due to the performance versus budget and successful delivery of property disposals.

The consolidated financial statements include the income, expenditure, assets, liabilities and funds of Livability and its subsidiary charities and companies. These amounts are included on each line in the financial statements with investments, transactions and balances between the members of the Livability charity group eliminated so that the consolidated financial statements report the interactions between the Livability group and external parties.

Financial review

Overview

Although a further deficit has been made in the year, this is substantially lower than in recent years and a number of uncertainties outlined in the Report and Accounts for the year ended 31 March 2021 have been positively addressed in line with expectations at the time. Income for the year was £46.1m, an increase of £1.8m over 2020 (£44.3m) levels. This was driven by three factors: income from charitable activities decreased by £1m, with a £0.6m decrease in income from Residential and Community activity; £0.5m reduction in Education income; offset by an increase in donations and legacies of £2.5m primarily due to Covid-19 related grants and appeals. This was in addition to an increase in other trading income of £0.4m.

Total expenditure of £48.4m (2020: £49.3m) decreased by £0.9m. This decrease was driven by a reduction in the cost of Raising funds £0.3m; Cost of Charitable activities of £0.7m; reduction in impairment and losses on disposal of fixed assets of £0.5m offset by an increase of £0.3m for Other expenditure.

Net expenditure was £2m compared with £5.2m in the previous year, a £3.2m improvement.

Offsetting this operational improvement was an actuarial loss on revaluation of the defined benefit pension fund of £4.6m (2020: £2.4m gain). The main drivers for this actuarial loss are the assumptions for the discount rate and the rate of increase in salaries in the Livability final salary pension scheme (which was closed to new members and further service accrual in 2007). As a result, total funds have reduced from £39.8m in 2020 to £33.2m.

Key performance indicator for the group

Key performance indicators	2020/21 £'000	2019/20 £'000
Total income	46,138	44,276
Operating costs	48,433	49,283
Operating deficit for the year (after investment gains/losses)	(2,081)	(5,171)
	Number	Number
<i>Service user capacity</i>	319	310
CQC registered placements		
<i>Occupancy</i>	88.76%	89.35%
CQC registered placements		

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

We have made good progress over the course of the year with the implementation of our comprehensive transformation plan, including:

- Increasing operating contribution
- Increasing net fundraising revenue
- Reducing central support costs
- Rationalising the property portfolio

During the year under review, the charity continued its programme of engaging with our local authority commissioners to ensure that fee levels are appropriate for the changing needs of the people we care for.

Reserves policy

The Board of Directors has considered the level of reserves which should be maintained within the Group and this is reviewed annually. Such reserves are needed to cover, for example, working capital, future property repairs and the risk of possible shortfall in charitable income.

At the year ended 31 March 2021, Livability held a total of £33.2m in reserves (2020: £39.8m).

Of these total reserves including the pension reserve, £20.3m (2020: £28.1m) are unrestricted.

In addition, the Trustees have considered and set a reserves policy which requires that unrestricted funds equivalent to a range of eight to 12 weeks of total organisational expenditure is held.

The charity's unrestricted general reserve at the end of the year was £14.6m. This represents approximately sixteen weeks of total unrestricted organisational expenditure, which is better than the range determined by our reserves policy.

We have also considered our free reserves. We have calculated our free reserves using the broad guidelines set out by the Charity Commission. Effectively, we have taken our Group net assets and, as we are an organisation that actively uses properties, we have deducted fixed assets that are not endowed or restricted or subject to sale in future years. This provides us with free reserves of £2.6m at the end of the financial year, which is a decrease from £4.4m in 2020. As noted elsewhere in the report, there are various steps that have been and will be taken to improve the underlying financial performance of the organisation, during the financial year under review, and going forward.

Free reserve calculation

£ '000	31/03/2020	31/03/2021
Group net assets	39,792	33,154
Less: Restricted funds	(4,986)	(6,161)
Less: Endowed funds	(6,661)	(6,663)
Less: Fixed assets (asset reliant organisation)	(39,376)	(38,575)
Add back: Pension Liability 'reserve'	748	3,625
Subtotal	(10,483)	(14,620)
Add back: Tangible fixed assets in Restricted / Endowed reserves	4,540	5,485
Add back: Functional fixed assets to be sold in following years	<u>10,317</u>	<u>11,710</u>
Free reserves	<u>4,374</u>	<u>2,574</u>

Investment policy

In line with Livability reserves policy, at any point in time we may hold cash and other assets that are surplus to immediate requirements. The policy of the Board of Trustees is to invest surplus funds to meet the following objectives:

- To match the risk and maturity of the investments with the requirement for available funds.

- To invest in liquid assets which can be converted to cash quickly, although it is recognised that the majority of surplus funds are currently held in fixed assets.
- To invest in a way that does not conflict with the charity's aims and objectives and which is prudently risk-free. The majority of Livability's surplus funds is currently held in fixed assets, funds held for long-term investment that form the Endowed Funds and a low value of shareholdings that have been donated to the charity. Other surplus funds are held in cash.
- To invest in our staff, which is crucial for our continuing provision of high-quality services and avoids any quality, safety or reputational risks.

The charity uses the services of Royal London Cash Management to invest its surplus funds. A decision is taken on a case-by-case basis as to whether to retain or dispose of any donated investments.

S172 Working with our stakeholders

This is a mandatory statement reporting how directors have complied with their duty to have regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The people we support, their families and representatives

Throughout this reporting period, more than ever before, Board members reviewed and led on critical decisions that helped keep the people we support and staff safe throughout the pandemic. These needs were examined against the business and the requirement to work efficiently in the interest of the charity's objects.

The organisation continues to be governed by the 'nothing about me, without me' initiative. The objective remains to ensure that the people we support are central to any decision-making in regards to their care and preferences. The quality team ensures this methodology is central to our co-production work.

Our safeguarding Board is instrumental in reviewing, and protecting our relationship with the children, young people and adults we support. This year the organisation launched a safeguarding app for staff to use as a reporting tool. The Safeguarding Board fed into the development of the app and agreed the reporting requirements for the Board.

Our staff

The monthly staff forums are running well, creating an open and positive culture of communication between staff and the Leadership team. The focus of the forums has evolved, with the current agendas being more focused on the employee experience and hearing the voices of our 'staff champions', and away from the original purpose of supporting colleagues through the Livability Change Programme. As a result of staff champions sharing ideas, opinions and concerns with their regional director or member of the Executive team directly through the forum, many issues have been resolved. This has improved the employee experience and therefore the experience of the people we support.

Staff on the frontline on our adult care settings continued in the workplace throughout the Covid-19 lockdowns, supported by actions from local, regional and national managers together with volunteers. Quality issues continued to be monitored and assessed. Services received virtual visits from executive directors and Trustees and in person when this became appropriate to do so. Staff in our education centres continued, remain open for the majority of lock down periods.

As staff working across support/office functions continued to work remotely, they were updated by briefings sharing updates from the Executive Team and across the business. Risk assessments were updated and working practices reviewed as we began to plan a considered and safe transition to the workplace.

Trustees received regular updates from the Executive Director of People, attending the Trustee Board and the Services Quality & Performance Sub-Committee to discuss employee matters, demographics, staff recruitment & retention rates, diversity, whistle-blowing, staff learning and development and development data and pay issues.

Our Trustees

Our usual annual trustees' visits to services and subsidiaries were limited due to the restrictions this year; however a number of 'virtual' visits were made. Trustee directors have continued to engage and support further virtual events, including the 2020 Christmas Celebration, providing the Trustees with the opportunity to celebrate the people we support, together with a number of our stakeholders.

Our supporters and volunteers

This year we joined together with supporters in a virtual Christmas celebration in lieu of our usual service at St Martin-in-the-Fields. Supporters enjoyed a celebration of achievements throughout the year, joined by celebrity guests and performances from those in our services.

Our regulators

Our regulatory bodies include the Care Quality Commission, the Regulation and Improvement Authority, Care Inspectorate Wales, Ofsted and the Education Skills Funding Agency. We continue to build on our strong relationships with our regulators, engaging them proactively where it might be deemed helpful.

Compliance with regulatory frameworks and performance against those are scrutinised at the Services Quality and Performance Sub-Committee and the Livability Safeguarding Board and each of the education Local Governing Boards.

Our local communities

Livability's education Local Governing Boards (LGBs) include a community member who is chosen specifically to represent his or her community. In addition, these Boards include members from a range of commissioning local authorities in order to scrutinise the quality of our work and the impact and outcomes for those we support.

Our suppliers

Trustees and executives continue to scrutinise cash flow to ensure we prioritise accordingly for payment, as are key stakeholders such as HMRC.

Environment commitment

Streamlined Energy and Carbon Reporting (SECR) statement

SECR Executive Summary

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (also known as SECR) introduce requirements for large unquoted companies and limited liability partnerships to disclose their annual energy use and greenhouse gas (GHG) emissions, and related information on energy efficiency measures undertaken and an energy efficiency ratio.

While the regulations set out a legal requirement to report on emissions, many organisations, clients and investors are increasingly finding that there is an ethical and social requirement to be acting on reducing these emissions so that the amount that is reported each year is reduced. We would urge Livability to continue to take proactive and urgent action to reduce its emissions and are able to support them in doing so.

1.1 SECR Energy use and carbon emissions disclosure

	Current Reporting Year 2021	Reporting Year 2020	Change (%)
Energy Consumption Used to Calculate Emissions Heating Fuels (kWh)	8,913,971	7,248,560	(+)23%
Energy Consumption Used to Calculate Emissions Electricity (kWh)	3,632,319	3,131,069	(+)16%
Energy Consumption Used to Calculate Emissions Transport Fuels (kWh)	299,542	753,789	(-)60%
Scope 1 - Emissions Combustion from Heating Fuels (tCO ₂ e)	1639.0	1332.8	(+)23%
Scope 1 - Emissions Combustion from Transport Fuel (tCO ₂ e)	17.4	46.5	(-)62%
Scope 2 - Emissions from Purchased Electricity (tCO ₂ e)	846.8	730.0	(+)16%
Scope 3 - Emissions Consumption from Business Travel (tCO ₂ e)	52.0	128.2	(-)59%
Total Emissions (tCO₂e)	2555	2238	(+)14%
Intensity Ratio (EBITDA Figure)	1.168	1.966	(-)41%
Total tCO₂e / EBITDA Figure	2187.64	1138.10	(+)92%

1.2 Methodology

The Green House Gas (GHG) Reporting Protocol – Corporate Standard has been followed to allow easy comparison with equivalent organisational reporting. Carbon emissions are therefore reported as Scope 1, 2 and 3 emissions. The report has also used the 2021 UK Government's Conversion Factors for Company Reporting.

1.3 Benchmarking and intensity metrics

The organisation selected the EBITDA figure as their intensity metric for SECR works. The carbon emissions have only increased by 14%; however against the intensity metric, the total TCO_{2e}/EBITDA has increased by 92%. This figure has increased dramatically as the EBITDA between the baseline report and this FY has reduced by 41%.

1.4 Carbon offset & green tariffs

Livability has no qualifying carbon offsets during this financial period nor does Livability have any qualifying green tariffs or sourced renewable energy contracts in place.

1.5 Energy efficiency actions

During this reporting period, a few properties across the organisation's portfolio have implemented some energy efficiency measures. Livability Gwynfa and Ashley Place received upgraded boilers with a higher efficiency. Livability Bradbury Court installed a twin pump pressurisation unit replacement, while the Livability Victoria School had new heating plant rooms including at the sports hall.

Livability has contracted ESOS-Energy to undertake decarbonisation assessments across the organisation's property portfolio. Within this financial year, the audit for Livability John Grooms Court has taken place, the rest of the audits are scheduled to take place in the next financial year.

1.6 Footnotes

Livability has chosen operational control as the consolidation approach and the boundary includes all entities and facilities either owned or under our operational control that are within the UK.

The methodology used to calculate the CO_{2e} emissions is the Operational Control approach on reporting boundaries as well as utilising the carbon emissions methodology as defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard, Revised Edition. Emissions factor data source: BEIS 2020 conversion factors <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>.

Reporting covers electricity, gas and transport fuel consumption within the UK as required by Environmental Reporting Guidelines for non-quoted companies as defined in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Principal risks and uncertainties

Livability's work with vulnerable people means that there are always potential risks. We have safeguarding policies and procedures, which are regularly reviewed, and ensure that concerns are effectively identified, reported, and responded to, and we work in partnership with statutory organisations as required.

Our risks fall into six major categories:

1. Reputational – the risk of damaging our reputation through regulatory and other failings associated with the delivery of our services

Our reputation is critical to maintaining our status as a trusted provider and this risk is managed through a robust set of performance indicators and allied to assurance controls in safeguarding, financial and operational delegations, fraud prevention and detection controls, and the wider policies and procedures upheld through the Internal Quality and Practice Development Team.

2. Operating margins – pressure from limited income growth and increasing cost

This is a risk in common with other providers of services funded by the public sector, and failure to improve the margins as planned will limit our ability to invest in continuing to improve and expand our services. This risk is being mitigated with an extensive transformation plan that seeks to remove administrative barriers to efficiency internally.

3. Pensions – Livability's three closed defined-benefit pension schemes are subject to risks around their funding, outside the control of Livability

The continued requirement to fund the deficits has a material impact on Livability's ability to invest in the growth and development of its services and facilities. Livability is working with industry experts to ensure needs are balanced with current beneficiaries of the charity with those of its current and future pensioner populations.

4. Cash availability – the low operating margins alongside significant funding requirements such as recovery payments for the closed pension schemes means that cash availability is an ongoing risk. The risk is tightly monitored and reported to the Board on a monthly basis.

5. Recruitment and retention – the risk of not being able to deliver high-quality services and care due to workforce shortages

There are known workforce shortages affecting the wider health, education and social care sectors. Livability is committed to becoming recognised as an employer of choice to attract and retain the workforce needed to sustain high standards across the service portfolio. Livability has also set a strategic goal to

lower the sickness absence rate and has launched initiatives during the year to foster staff engagement, wellbeing and people support and development.

6. Brexit – the continuing implications of Brexit where outcomes remain impactful.

The Board and Executive Team monitor the financial performance of the charity and associated risks through a performance dashboard and regular meetings with relevant staff.

Statement of Trustees' responsibilities for the Financial Statements

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report, incorporating the strategic report, and the financial statements, in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and charity and of the incoming resources and application of resources, including the income and expenditure, of the Group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

Each of the members of the Board of Trustees has confirmed that:

- so far as he or she is aware, there is no relevant audit information of which Livability's auditors are not aware
- he or she has taken all the steps that he or she ought to have taken as a member of the Board in order to make himself or herself aware of any relevant audit information and to establish that Livability's auditors are aware of that information.

The report of the Board was approved by the Board on 9 March 2022 and signed on 9 March 2022 its behalf by Kate Clare, Chair.

Kate Clare

Chair of Trustees

Independent Auditors' Report to members of Livability

Opinion

We have audited the financial statements of Livability ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the charitable company Statement of Financial Activities, the group and charitable company balance sheets, the group and charitable company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's and charitable company'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.

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

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 or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual 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.

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 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 our audit

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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 set out on page 34, 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 group and 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Care Quality Commission and OfSTED Standards, General Data Protection Regulation, employment legislation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing revenue

items, including local authority agreements and contracts to ensure the fees charged are in line with the terms of the agreement, and agree to bank, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, CQC and Ofsted, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Julia Poulter

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London, United Kingdom

9 March 2022

Livability Group Consolidated Statement of Financial Activities

		Group Year Ended 31 March 2021				Group Year Ended 31 March 2020			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Income From:	Note	£000	£000	£000	£000	£000	£000	£000	£000
Donations and Legacies	2	3,715	2,842	-	6,557	2,447	1,581	-	4,028
Charitable Activities	2	38,962	32	-	38,994	39,309	713	-	40,022
Other Trading Activities	2	532	-	-	532	146	15	-	161
Investments	3	4	44	7	55	16	49	-	65
Total Income		43,213	2,918	7	46,138	41,918	2,358	-	44,276
Expenditure on									
Raising Funds	5	942	55	-	997	1,245	36	-	1,281
Charitable Activities	5	45,693	656	62	46,411	46,268	793	45	47,106
Other	5	366	588	-	954	672	-	-	672
(Gain)/loss on Disposal of Fixed Assets	4	71	-	-	71	(92)	316	-	224
Total Expenditure		47,072	1,299	62	48,433	48,093	1,145	45	49,283
Net gain/(loss) on revaluation of properties	3	-	-	-	-	(94)	-	-	(94)
Net gain/(loss) on revaluation of investment:	3	148	9	57	214	(62)	(2)	(6)	(70)
Net Income/(expenditure)		(3,711)	1,628	2	(2,081)	(6,331)	1,211	(51)	(5,171)
Transfer between funds	14	453	(453)	-	-	321	(321)	-	-
Actuarial Gains/Losses	13	(4,557)	-	-	(4,557)	2,423	-	-	2,423
Net movement in funds		(7,815)	1,175	2	(6,638)	(3,587)	890	(51)	(2,748)
Reconciliation of funds									
Total Funds brought forward	14	28,145	4,986	6,661	39,792	31,732	4,096	6,712	42,540
Total funds carried forward		20,330	6,161	6,663	33,154	28,145	4,986	6,661	39,792

Livability Statement of Financial Activities

		Charity Year Ended 31 March 2021				Charity Year Ended 31 March 2020			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Income From:	Note	£000	£000	£000	£000	£000	£000	£000	£000
Donations and Legacies	2	3,715	1,459	-	5,174	2,379	671	-	3,050
Charitable Activities	2	38,165	-	-	38,165	38,698	-	-	38,698
Other Trading Activities	2	7	-	-	7	69	-	-	69
Investments	3	4	-	6	10	14	-	-	14
Total Income		41,891	1,459	6	43,356	41,160	671	-	41,831
Expenditure on									
Raising Funds	5	932	55	-	987	1,245	36	-	1,281
Charitable Activities	5	44,483	73	-	44,556	45,580	75	-	45,655
Other	5	306	588	-	894	604	68	-	672
(Gain)/loss on Disposal of Fixed Assets	4	71	-	-	71	(92)	316	-	224
Total Expenditure		45,792	716	-	46,508	47,337	495	-	47,832
Net gain/(loss) on revaluation of properties	3	-	-	-	-	(94)	-	-	(94)
Net gain/(loss) on revaluation of investment:	3	148	9	52	209	(61)	(2)	(6)	(69)
Net income/(expenditure)		(3,753)	752	58	(2,943)	(6,332)	174	(6)	(6,164)
Transfer between funds	14	453	(453)	-	-	321	(321)	-	-
Actuarial Gains/Losses	13	(4,557)	-	-	(4,557)	2,423	-	-	2,423
Net movement in funds		(7,857)	299	58	(7,500)	(3,588)	(147)	(6)	(3,741)
Reconciliation of funds									
Total Funds brought forward	14	28,160	2,096	5,927	36,183	31,747	2,243	5,933	39,923
Total funds carried forward		20,303	2,395	5,985	28,683	28,160	2,096	5,927	36,183

All the results in the Statement of Financial Activities derive from continuing operations...

Balance Sheet
Company Registration Number 5967087
Livability Group and Charity Balance Sheets

At 31 March 2021

		Group		Charity	
		2021	2020	2021	2020
Note	£000	£000	£000	£000	
Fixed Assets:					
Tangible Assets	8	38,575	39,376	35,244	36,366
Financial Investments	9	2,017	2,399	1,998	2,384
Social Investments	10	6,536	7,226	6,536	7,226
Total Fixed Assets		47,128	49,001	43,778	45,976
Current Assets:					
Debtors and Stocks	11	4,182	5,511	3,126	4,887
Cash at Bank		4,069	3,252	2,963	2,260
Total Current Assets		8,251	8,763	6,089	7,147
Liabilities:					
Creditors: amounts falling due within 1 year	12	(11,996)	(9,620)	(11,803)	(9,438)
Net Current Assets		(3,745)	(857)	(5,714)	(2,291)
Total Assets less Current Liabilities		43,383	48,144	38,063	43,685
Creditors: amounts falling due after 1 year	12	(6,604)	(7,604)	(5,755)	(6,754)
Net assets excluding pension Liability		36,779	40,540	32,308	36,931
Defined Benefit Pension Liability	13	(3,625)	(748)	(3,625)	(748)
Total Net assets		33,154	39,792	28,683	36,183
The Funds of the Charity:					
Permanent Endowment funds	14	6,663	6,661	5,985	5,927
Restricted funds	14	6,161	4,986	2,395	2,096
Unrestricted funds	14	23,955	28,893	23,928	28,908
Pension Reserve	14	(3,625)	(748)	(3,625)	(748)
		33,154	39,792	28,683	36,183

The report of the board was approved by the Board on 9 March 2022 and signed on 9 March on its behalf by



Kate Clare
Chair



John Weaving
Trustee

Statement of cash flows

For the year ended 31 March 2021

		Group		Charity	
	Note	2021 £000	2020 £000	2021 £000	2020 £000
Cash flows from operating activities					
<i>Net cash provided by / (used in) by operating activities</i>	C1	2,419	(3,442)	1,681	(4,012)
Cash flows from investing activities					
Dividends, interest and rent from investments		55	65	10	14
Proceeds from the sale of property, plant and equipment		626	438	626	438
Purchase of property, plant and equipment		(750)	(1,266)	(120)	(1,013)
Proceeds from sale of investments		630	1,363	630	1,363
Purchase of investments		–	(10)	–	(9)
Net cash provided by / (used in) investing activities		561	590	1,146	793
					3,523
Cash flows from financing activities					
Interest on financing activities		(351)	(451)	(326)	(420)
Repayments of borrowings		–	–	–	–
Cash inflows from new borrowing		(2,419)	2,750	(2,419)	2,700
Net cash provided by / (used in) financing activities		(2,770)	2,299	(2,745)	2,280
Change in cash and cash equivalents in the period		210	(552)	82	(939)
Cash and cash equivalents at the start of the period		3,252	3,804	2,260	3,199
Cash and cash equivalents at the end of the period		3,462	3,252	2,342	2,260

There is no difference between cash and cash equivalents reported in the cash flow statements and the cash at bank and in hand reported on the balance sheet.

Notes to the statement of cash flows

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
C1. Reconciliation of net income / (expenditure) to net cash flow from operations				
Net income / (expenditure) for the year as stated in the Statement of Financial Activities	(2,081)	(5,171)	(2,943)	(6,163)
<i>Adjustments for:</i>				
Depreciation	1,406	1,403	1,306	1,354
Impairment of functional assets	–	604	(216)	604
Impairment of social investment	(125)	–	(125)	–
(Gains) losses/ on investments	–	164	–	164
Dividends, interest and rent from investments	(55)	(65)	(10)	(14)
Interest on financing activities	351	451	326	420
Non-cash movements in defined benefit pension scheme	(1,680)	(1,577)	(1,680)	(1,577)
(Gains) / losses on the disposal of fixed assets	71	224	71	224
(Increase) / decrease in debtors	1,329	(791)	1,761	(228)
Increase / (decrease) in creditors	3,203	1,316	3,191	1,204
Net cash flow provided by / (used in) operations	2,419	(3,442)	1,681	(4,012)

C2. Analysis of cash and cash equivalents

	At 31 March 2021 £000	At 31 March 2020 £000	At 31 March 2021 £000	At 31 March 2020 £000
Cash at bank and in hand	4,069	3,252	2,963	2,260
Notice of deposits	–	–	–	–
Overdraft facility repayable on demand	–	–	–	–
Total cash and cash equivalents	4,069	3,252	2,963	2,260

C3. Analysis of changes in net debt

Group

	At start of year £000	Cash- flows £000	Other non- cash changes £000	At year end £000
Cash	3,252	817	–	4,069
Cash equivalents	–	–	–	–
Overdraft facility repayable on demand	–	–	–	–
	3,252	817	–	4,069
Loans falling due with one year	(2,246)	–	1,419	(827)
Loans falling due after more than one year	(7,604)	2,419	(1,419)	(6,604)
Finance obligations	–	–	–	–
Total	(6,598)	3,236	–	(3,362)

Charity

	At start of £000	Cash- £000	Other non- £000	At year £000
Cash	2,260	703	–	2,963
Cash equivalents	–	–	–	–
Overdraft facility repayable on demand	–	–	–	–
	2,260	703	–	2,963
Loans falling due with one year	(2,246)	–	1,420	(826)
Loans falling due after more than one year	(6,754)	2,419	(1,420)	(5,755)
Finance obligations	–	–	–	–
Total	(6,740)	3,122	–	(3,618)

Note 1 Accounting Policies

The policies below set out the bases of recognition and measurement used by Livability and its subsidiary charities and companies for material items in the financial statements.

A. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards, under the historical cost convention, as modified by the inclusion of investments at market value. They have also been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 as applied to charitable companies.

Livability meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

Going Concern

The trustees have adopted the going concern basis in the preparation of these financial statements. In reaching this decision, the trustees have given consideration to the charity's forecasted cash flow projections covering a period of at least 12 months from the date of signing of the financial statements, prepared against the backdrop of Covid-19.

Since 31 March 2021, Livability has generated proceeds from property sales of £7.5m and has reached an agreement in principle with Metro Bank regarding new funding arrangements from March 2022 which has received credit approval. These were the main areas of material uncertainty at the date of finalising the Report and Accounts for 2020 in August 2021.

The programme of property disposals is not yet complete and the additional income to arise from that, together with continuing operational improvements (notwithstanding the adverse impacts of Covid-19), underline the confidence of the Trustees that the latest cash flow forecast remains achievable.

The Trustees continue to monitor the delivery of the improvement plan and, given the latest progress achieved on the planned actions, the Trustees believe that it remains appropriate to prepare the accounts on a going concern basis due to the performance versus budget and successful delivery of property disposals.

The consolidated financial statements include the income, expenditure, assets, liabilities and funds of Livability and its subsidiary charities and companies. These amounts are included on each line in the financial statements with investments, transactions and balances between the members of the Livability charity group eliminated so that the consolidated financial statements report the interactions between the Livability group and external parties.

Note 1 Accounting Policies (cont'd)

B. Funds

Unrestricted funds

Unrestricted funds arise from income donated to or earned by the charity in pursuit of its charitable objects and may be applied in any way that meets those charitable objects.

Designated funds

Designated funds are those unrestricted funds that the Trustees have identified and set aside to meet particular purposes or to segregate them from the General Fund. A more detailed description of funds is available at note 14.

General Fund

The charity's General Fund are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. Restricted funds arise from conditions attached to them by the donor or the activity generating the funds, by deliberate requests for such funds by the charity. Subsidiary charities whose objects are consistent with, but more narrowly drawn than, those of Livability are also reported within restricted funds.

Permanent endowment funds

Restricted endowment funds represent assets that are specified by their donor to be retained and used by the charity to pursue its objects, unless the donor specifies otherwise.

Transfers between funds

During the year, £453k was transferred from restricted funds to unrestricted funds. The transfer relates to expenditure which came out of unrestricted funds instead of restricted as represented in Note 14.

Purchases of fixed assets generate a transfer from the fund providing the funding for the purchase to the relevant designated reserve. Disposals of fixed assets generate a transfer from the designated reserve to general funds unless there is a restriction on the use of the disposal proceeds.

Payments of deficit contributions to pension schemes cause a transfer from General Fund to the Pension deficit fund, and repayment of loans generates a transfer from the General Fund to the Property Fund.

Note 1 Accounting Policies (cont'd)

C. Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, legacies and grants

Income from donations, legacies and grants is recorded in the financial statements when entitlement to the income is established, it is more likely than not that the income will be received and the amount to be received can be reliably estimated and any conditions required to receive the funds have been met or are within the control of the charity. In practice, most donations income is recognised when received.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured. Where a life interest in an estate exists, no income is recognised other than from distributions from that estate to Livability.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

Income from charitable activities

Where Livability provides services or goods in return for payment, the income from these items is recognised when Livability completes its part of the agreement by delivering the services or goods.

Grants related to performance of contractual obligations are recognised when Livability has entitlement to the income, it is probable that income will be received and the amount of income can be measured reliably.

Interest receivable

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

Income tax recoverable

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Note 1 Accounting Policies (cont'd)

D. Expenditure and allocation of support costs

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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 and has been listed in such a way as to accumulate all the charity's costs of employees, goods and services relating to a particular activity of the charity under that activity heading. Direct costs, including attributable salaries and associated costs, are allocated on an actual basis to the key areas of activities. Indirect costs (support costs), primarily comprising staff costs of employees based at the charity's National Office in London, are allocated to each activity heading using a number of identified cost drivers, including expenditure as a proxy measure for usage of resources and staff numbers.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

E. Fundraising Costs

Expenditure on raising funds comprise salary costs and other associated expenditure relating to the generation of voluntary income.

F. Tangible fixed assets

Tangible fixed assets are significant physical items of property, plant and equipment held for continuing use by the charity in delivering its charitable objectives.

Recognition

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, the charity estimates fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Consolidated statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Separate components

The charity holds freehold buildings with significant components that have materially different useful lives from the rest of the building. These components are depreciated separately over their individual lives at the following rates:

Main Fabric	- 100 years
Pitched Roof	- 70
Flat Roof	- 40
Windows and Doors	- 40
Boilers and Heaters	- 15
Mechanical systems	- 30
Bathrooms	- 30
Kitchens	- 20
Lifts	- 25
Electrics	- 40
Alarm and Security	- 15

Note 1 Accounting Policies (cont'd)

Freehold land and assets in the course of construction are not depreciated.

Other Fixed Assets

Assets are depreciated evenly to their estimated residual values over their estimated useful lives as follows:-

Leasehold buildings	over the lease term
Horticultural buildings	over 25 years
Equipment, fittings and furniture	over 5 years
Plant and machinery	over 20 years
Cars	over 4 years
Minibuses and coaches	over 6 years
Computers and software	over 3 years
Chalets and mobile homes	over between 10 and 30 years

The residual value of all assets is assumed to be zero.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

G. Financial Investments

Investments are items of property and other assets held to generate income and capital growth for the charity.

Listed and other financial investments

Investments that have a ready market where the value can be determined by reference to published data are valued at the bid price. Where no market is available in the investments, they are valued at cost less impairment.

Investment properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in the statement of financial activities. Livability's valuation methodology is to obtain external revaluation of its investment properties on a five-year rolling basis. The properties were externally revalued in 2017. In the intervening period between the 5 years, the charity has obtained pre-market advice on projected sales. More recent property disposals support the trustees view that the book values are not materially mistated.

Investments in group entities

Investments in group entities are held at their cost less any identified impairment.

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as arise. Realised gains and losses on investments is calculated as the difference between sales proceeds and their opening carrying value. Unrealised gains and losses are calculated as the difference between fair value at year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

H. Social investments

Programme-related investments

Programme-related properties are properties that are held by the charity and provided to individuals or organisations in delivering charitable objects which are line with Livability's own charitable objects. This type of fixed asset is held without seeking to make a return, other than one which is incidental.

These investments are carried at fair value at the date of the accounts. Any impairment to valuation is treated as charitable expenditure.

Note 1 Accounting Policies (cont'd)

I. Financial Instruments

Financial instruments are contracts that give rise to a financial asset for one party to the contract and a financial liability or equity instrument for the other party.

Basic Financial Instruments

Livability and its group entities have basic financial instruments that are recognised when the provisions of the contract are met and for which the accounting policies are as follows:

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Trade debtors and other amounts receivable

Trade debtors and other amounts receivable are recognised at the value defined by the contract, agreement or legislation giving rise to the amount receivable. Impairment of receivable amounts is recognised as expenditure in the Statement of Financial Activities.

Trade creditors and other amounts payable

Trade creditors and other amounts payable are recognised at the value defined by the contract, agreement or legislation giving rise to the liability.

Bank loans

Bank loans are recognised at the present value of the cash flows under the loan agreement, discounted at the effective interest rate for each bank loan.

Other Financial Instruments

The accounting policies for other financial instruments are as follows:

Derivative financial assets and liabilities

Livability carries derivative financial assets and liabilities at their fair value and accounts for changes in fair value through the Statement of Financial Activities. Interest rate collars, which are a combination of a put and a call interest rate option, are valued at the option value using standard tools for the calculation of such items. Amounts payable or receivable under loan contracts for the purchase of property made to or by the charity that vary with the price of the related property are recognised separately from the loan itself and changes in the value are recognised in the Statement of Financial Activities. The loan is accounted for as a basic financial instrument as set out above.

J. Entity combinations

Entity combinations are the effect on the accounts of Livability and the Livability group of changes to the structure of the charity and the group that arise from the purchase of businesses and companies, the gift of charities and mergers between charities. In accounting for entity combinations, Livability applies the requirements of FRS 102 s19 and section PBE34.75 – PBE34.86.

Note 1 Accounting Policies (cont'd)

Unless the requirements for merger accounting are met, an acquiring entity is identified in an entity combination, being the dominant party in a charity merger or the contractual acquirer of a business or company.

In all combinations the assets and liabilities of the entity joining the group that exist at the date of combination are included in the group accounts. These assets and liabilities may include Intangible assets such as brand value, customer lists and order books that are not recognised in the individual financial statements of an acquired entity. All assets and liabilities in the combination are initially recognised at their fair values. After that date, the accounting policies set out in this note are applied to recognition, de-recognition and valuation of the assets and liabilities.

When the transaction is in substance a gift from the Trustees or members of an existing charity, a gift with the value of the net asset value of the assets and liabilities of the gifted charity is recorded and an investment with the same value is recorded in the books of the charity. Transaction costs associated with the combination are recognised in the statement of financial activities (SOFA) as incurred.

When a business or company is purchased, the cost of the investment is recognised as the fair value of the consideration payable, including transaction costs.

K. Impairment of assets

At each accounts date, the recoverable amounts of assets are assessed to determine whether they have fallen below their carrying values. When the recoverable amount of an asset falls below its carrying amount, the value of the asset is said to be impaired. The carrying amount is reduced to the recoverable amount with the loss in value reported in income and expenditure.

The recoverable amount of an asset is the higher of the amount that can be generated by using the asset or by selling it. When assessing the recoverable amount of purchased goodwill, the cash flows arising from the group of assets that make up the cash-generating unit in an entity combination are used to assess the amount generated by using the assets. The amount attributable to goodwill is taken to be the excess of the recoverable amount of the cash-generating unit over the fair values of the individual assets in the cash-generating unit.

Note 1 Accounting Policies (cont'd)

L. Leases

Operating leases

Where Livability acts as the lessee, the cost of operating leases is recognised by spreading the total payments under the lease, including lease premiums paid, evenly over the lease term. Lease incentives that reduce the rent payable under the lease are taken as part of the total payments.

Where Livability acts as the lessor, income is recognised by spreading the total receipts under the lease evenly over the lease term. Lease incentives paid and premiums received are treated as part of the total receipts. Costs of arranging the lease of an asset are added to the cost of the leased asset and recognised over the lease term in the same way as the lease income.

M. Short-term employee benefits

The liability to pay short-term employee benefits, which are mainly salary, the entitlement to paid leave and related employment taxes, is recognised as the employees earn entitlement to pay and paid leave under the terms of their employment contract, with a corresponding expense recognised in expenditure. Amounts paid are deducted from the liability when paid.

N. Redundancy and termination payments

Redundancy and termination payments are recognised in the Statement of Financial Activities when they become due for payment as a result of notice given to staff or agreement between the charity and the employee.

O. Pensions

Defined contribution pension schemes

Contributions to defined contribution pension schemes are recognised in the Statement of Financial Activities when entitlement to the contributions has been earned by the member of staff. The cost is allocated to the activity within which the staff member has worked and the fund that is resourcing the activity.

Defined benefit pension schemes – single employer schemes

As the principal employer in such schemes, Livability has a duty to fund the schemes to enable them to pay the benefits due to the scheme members. A liability equal to the net present value of future liabilities payable under the schemes net of the fair value of the assets of the scheme is recognised at the date of the accounts.

The net present value of the future liabilities is calculated for each scheme by a qualified actuary using the project unit credit method, taking account of expected changes to future benefits arising from salary changes and changes in pension payments from inflation and other effects. The discount rate applied to the future liabilities is set by reference to the return rate from high-quality corporate bonds with the same currency and similar maturity as the pension payments.

Note 1 Accounting Policies (cont'd)

An interest charge equal to the unwinding of the discount on the net liability is recognised each year. The costs of administration of the schemes are recognised as an expense each year.

Changes to the net liability from changes to actuarial assumptions underlying the valuation and the difference between the actual return on assets and that included in the annual interest charge are recorded as actuarial changes and presented in the SOFA within other recognised gains and losses.

Defined benefit pension schemes – multi-employer schemes

The multi-employer defined benefit pension scheme is accounted for as a defined contribution scheme, due to insufficient information available from the actuary, to split the assets and liabilities of the scheme by employer, to enable the scheme to be accounted for as a defined benefit scheme.

Contributions made towards the scheme are charged to the Statement of Financial Activities when they become payable.

Where Livability has a liability to pay deficit reduction payments to multi-employer schemes, the present value of the agreed payments are discounted using the corporate bond rate as an appropriate discount rate. The discount is unwound annually with the unwinding effect charged to the Statement of Financial Activities.

P. Cash flows

The consolidated cash flows of Livability and its subsidiary companies are shown and reported using the indirect method of calculating cash flows, eliminating flows between the entities in the Livability group.

Q. Properties held for Sale

Properties held for sale are stated at the lower of carrying value and net realisable value (NRV). NRV is based on the actual or estimated selling price less all further costs to completion.

R. Taxation Status

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying donations of all taxable profit to Livability. No corporation tax liability on the subsidiaries arises in the accounts.

S. Judgements and Uncertainties

In preparing these financial statements, the directors have made judgements to determine whether there are indicators of impairment of the charity's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

The other key source of estimation uncertainty is in relation to the depreciation of tangible fixed assets (see note 8).

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. See accounting policy note 1.F for further details.

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of the changes in these assumptions (see accounting policy note 1.O for further details)

Note 2 Analysis of Income

Group

	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Analysis of Income								
Donations and Legacies								
Donations	842	2,150	-	2,992	1,112	1,361	-	2,473
Income from Charitable events	-	-	-	-	-	-	-	-
Legacies	897	104	-	1,001	1,335	220	-	1,555
Grants from government and other public bodies (see note 2a)	1,976	588	-	2,564	-	-	-	-
Total Donations and Legacies	3,715	2,842	-	6,557	2,447	1,581	-	4,028
Charitable Activities								
Residential and community	29,803	32	-	29,835	29,713	713	-	30,426
Education and Care	9,102	-	-	9,102	9,593	-	-	9,593
Community Engagement	57	-	-	57	3	-	-	3
Trusts	-	-	-	-	-	-	-	-
Total Charitable Activities	38,962	32	-	38,994	39,309	713	-	40,022
Other trading	532	-	-	532	146	15	-	161
Investment income	4	44	7	55	16	49	-	65
Total Income	43,213	2,918	7	46,138	41,918	2,358	-	44,276

Charity

	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Analysis of Income								
Donations and Legacies								
Donations	842	767	-	1,609	1,044	451	-	1,495
Income from Charitable events	-	-	-	-	-	-	-	-
Legacies	897	104	-	1,001	1,335	220	-	1,555
Grants from government and other public bodies (see note 2a)	1,976	588	-	2,564	-	-	-	-
Total Donations and Legacies	3,715	1,459	-	5,174	2,379	671	-	3,050
Charitable Activities								
Residential and community	29,006	-	-	29,006	29,048	-	-	29,048
Education and Care	9,102	-	-	9,102	9,593	-	-	9,593
Community Engagement	57	-	-	57	57	-	-	57
Trusts	-	-	-	-	-	-	-	-
Total Charitable Activities	38,165	-	-	38,165	38,698	-	-	38,698
Other trading	7	-	-	7	69	-	-	69
Investment income	4	-	6	10	14	-	-	14
Total Income	41,891	1,459	6	43,356	41,160	671	-	41,831

Note 2a Grants receivable from government and other public bodies

Group

	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Grant income								
Greater London Authority	-	588	-	588	-	-	-	-
Rural Payment Agency	9	-	-	9	-	-	-	-
Coronavirus Job Retention Scheme (CJRS)	465	-	-	465	-	-	-	-
Inner and Outer London Local Authorities *	132	-	-	132	-	-	-	-
Non-London Local Authorities *	1,370	-	-	1,370	-	-	-	-
	1,976	588	-	2,564	-	-	-	-

* - Grant income from London and non-London Local Authorities received for Covid 19 related control measures including PPE

Charity

	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Grant income								
Greater London Authority	-	588	-	588	-	-	-	-
Rural Payment Agency	9	-	-	9	-	-	-	-
Coronavirus Job Retention Scheme (CJRS)	465	-	-	465	-	-	-	-
Inner and Outer London Local Authorities *	132	-	-	132	-	-	-	-
Non-London Local Authorities *	1,370	-	-	1,370	-	-	-	-
	1,976	588	-	2,564	-	-	-	-

* - Grant income from London and non-London Local Authorities received for Covid 19 related control measures including PPE

Note 3 Income from Investments

Group	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Analysis of Income from Investments								
Property Rental	2	44	-	46	3	48	-	51
Interest Receivable	-	-	-	-	2	1	-	3
Dividends from Investments	2	-	7	9	11	-	-	11
Total Investment income	4	44	7	55	16	49	-	65
Analysis of loss/ gains from investment revaluation								
Listed Investments	148	9	57	214	(62)	(2)	(6)	(70)
Investment property	-	-	-	-	(94)	-	-	(94)
Social Investments	-	-	-	-	-	-	-	-
Total loss/(gains) from investment revaluations	148	9	57	214	(156)	(2)	(6)	(164)

Charity	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Analysis of Income from Investments								
Property Rental	2	-	-	2	3	48	-	51
Interest Receivable	-	-	-	-	2	1	-	3
Dividends from Investments	2	-	6	8	11	-	-	11
Total Investment income	4	-	6	10	16	49	-	65
Analysis of loss/ gains from investment revaluation								
Listed Investments	148	9	52	209	(61)	(2)	(6)	(69)
Investment property	-	-	-	-	(94)	-	-	(94)
Social Investments	-	-	-	-	-	-	-	-
Total loss/(gains) from investment revaluations	148	9	52	209	(155)	(2)	(6)	(163)

Note 4 Losses on disposal of fixed assets

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Disposal Proceeds net of costs	626	1,801	626	1,801
Net book value of disposed assets	(697)	(2,025)	(697)	(2,025)
Gain/(Losses) on disposal	(71)	(224)	(71)	(224)

Note 5 Expenditure Analysis

Group	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestrict	Restricted	Endowment	Total Funds	Unrestrict	Restricted	Endowme	Total Funds
	d Funds	Funds	Funds		d Funds	Funds	nt Funds	
Analysis of Expenditure	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds	760	55	-	815	1,033	36	-	1,069
Internal Fundraising Costs	37	-	-	37	29	-	-	29
Support Costs	145	-	-	145	183	-	-	183
Total Raising Funds	942	55	-	997	1,245	36	-	1,281
Costs of Charitable Activities								
Residential and Community	36,002	604	62	36,668	34,642	491	45	35,178
Education	9,438	52	-	9,490	11,290	302	-	11,592
Community Engagement	253	-	-	253	336	-	-	336
Trusts	-	-	-	-	-	-	-	-
Total Charitable Activities	45,693	656	62	46,411	46,268	793	45	47,106
Other	150	588	-	738	68	-	-	68
Impairment of Social Investments	216	-	-	216	604	-	-	604
Loss on Disposal of Fixed Assets	71	-	-	71	(92)	316	-	224
Total Expenditure	47,072	1,299	62	48,433	48,093	1,145	45	49,283

Charity	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestrict	Restricted	Endowment	Total Funds	Unrestrict	Restricted	Endowme	Total Funds
	d Funds	Funds	Funds		d Funds	Funds	nt Funds	
Analysis of Expenditure	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds	760	55	-	815	1,033	36	-	1,069
Internal Fundraising Costs	37	-	-	37	29	-	-	29
Support Costs	135	-	-	135	183	-	-	183
Total Raising Funds	932	55	-	987	1,245	36	-	1,281
Costs of Charitable Activities								
Residential and Community	34,895	21	-	34,916	33,863	37	-	33,900
Education	9,343	52	-	9,395	11,293	38	-	11,331
Community Engagement	245	-	-	245	424	-	-	424
Trusts	-	-	-	-	-	-	-	-
Total Charitable Activities	44,483	73	-	44,556	45,580	75	-	45,655
Other	90	588	-	678		68	-	68
Impairment of Social Investments	216	-	-	216	604	-	-	604
Gain/(loss) on Disposal of Fixed Assets	71	-	-	71	(92)	316	-	224
Total Expenditure	45,792	716	-	46,508	47,337	495	-	47,832

Allocation of Support Costs

	Raising funds	Residential and Community	Education	Community Engagement	Total
	2021	2021	2021	2021	2021
	£000	£000	£000	£000	£000
Senior Management	8	308	79	7	402
Human Resources	17	723	210	2	952
Finance	60	2,202	562	49	2,873
Information Technology	32	1,380	400	4	1,816
Corporate Services	21	788	201	17	1,027
Marketing and Communications	6	220	56	5	287
	144	5,621	1,508	84	7,357

GROUP ONLY

Analysis of Direct and Support Costs

	Direct Costs	Support Costs	Total	Direct Costs	Support Costs	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Raising funds						
Internal fundraising costs	815	145	960	1,069	183	1,252
Bought in services	37	-	37	29	-	29
Support costs	-	-	-	-	-	-
Total Raising funds	852	145	997	1,098	183	1,281
Costs of Charitable activities						
Residential and Community	31,046	5,622	36,668	29,765	5,413	35,178
Education	7,983	1,507	9,490	9,738	1,853	11,591
Community Engagement	169	84	253	284	53	337
Trusts	-	-	-	-	-	-
Total	39,198	7,213	46,411	39,787	7,319	47,106
Other	738	-	738	68	-	68
Impairment	216	-	216	604	-	604
Loss on disposal	71	-	71	224	-	224
Total Expenditure	41,075	7,358	48,433	41,781	7,502	49,283

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

Group	2021	2020
	£000	£000
Depreciation	1,406	1,403
Audit current year	119	50
Other services	-	31
Other group auditors	-	-
Interest payable	351	451
Operating lease charges:		
Land and Buildings	622	818
Other equipment	41	65

Note 6 Staff and staffing costs

	Group		Group	
	2021	2021	2020	2020
	Number	FTE	Number	FTE
Education services	324	199	329	204
Residential and community services	1,191	687	1,304	728
Community Engagement	3	2	6	8
Generating funds	17	16	30	26
Support functions	93	86	76	66
Total	1,628	990	1,745	1,032

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	27,980	27,756	27,517	27,316
Social security costs	2,306	2,154	2,281	2,128
Employer contributions to defined contribution pension schemes	986	1,044	976	1,035
Operating costs of defined benefit pension schemes	115	213	115	213
Redundancy and termination payments	321	393	321	393
Agency staff	4,035	4,732	4,035	4,731
Total staff costs	35,743	36,292	35,245	35,816

For the group, redundancy payments were £321,000 (2020: £393,000) and the termination payments were £Nil (2020: £Nil).

Higher paid staff - Group

The number of staff with remuneration excluding employer pension contributions of £60,000 or above, split into bands of £10,000, was:

	2021	2020
	£000	£000
£60,000 - £69,999	7	6
£70,000 - £79,999	2	2
£80,000 - £89,999	2	2
£90,000 - £99,999	-	1
£120,000 - £129,999	1	-
£130,000 - £139,000	-	-

Remuneration of key management personnel

	2021	2020
	£000	£000
Wages and salaries	687	545
Contributions to defined contribution pension schemes	18	11
Termination payments	-	-
Employers national insurance	85	69
Agency Staff	42	-
Total	832	625

Note 7 Subsidiary Undertaking

Name	Function	Company Registration	Charity Number	Year End
Livability Icanho Limited	Brain injury rehabilitation services. Social and religious services to the Becontree Estate.	02167304	N/A	31st March
Kingsley Hall Church and Community Centre, a company limited by guarantee	Construction and related services to the Livability group.	06129881	1120001	31st March
Livability Contracting Services Limited	Dormant	03594964	N/A	31st March
East Holton Charity a company limited by guarantee	Holiday accommodation. Predecessor charity to Livability	02717228	1011867	31st March
Holton Lee Limited		02871759	N/A	31st March
The Shaftesbury Society, a company limited by guarantee		00038751	221948	31st March
Prospects for People with learning disabilities, a company limited by guarantee	Dormant	03305658	1060571	31st March
At Home in the Community Limited, a company limited by guarantee	Dormant	02470260	803280	31st March
John Grooms, a company limited by guarantee	Dormant	00113685	212463	31st March
Prospects Trading Limited	Dormant	03222851	N/A	31st March
A Cause for Concern	Dormant	N/A	271600	31st March
Grooms Shaftesbury Limited	Dormant	03232362	N/A	31st March
Shaftesbury Care Limited	Dormant	03232329	N/A	31st March

	Turnover or income	Operating profit or net incoming/(outgoing) resources	Transfer to the Charity	Aggregate Assets	Aggregate liabilities	Net assets
	£000	£000	£000	£000	£000	£000
John Grooms	-	-	-	-	-	-
Shaftesbury Society	1	5	-	44	-	44
Livability Icanho Limited	797	67	67	68	-	68
Kingsley Hall Church and Community Centre	803	226	-	4,715	1,035	3,680
Livability Contracting Services Limited	525	-	-	217	217	-
East Holton Charity	-	-	-	-	-	-
Holton Lee Limited	-	-	-	-	-	-
Prospects for People with Learning Disabilities	-	-	-	-	-	-
Prospects Trading Limited	-	-	-	-	-	-
At Home in the Community	-	-	-	-	-	-
A Cause for Concern	-	-	-	-	-	-
Livability Trading Limited	-	-	-	-	-	-
Shaftesbury Care Limited	-	-	-	-	-	-
	2,126	298	67	5,044	1,252	3,792

Note 8 Tangible Fixed Assets

Group	Functional Freehold Property	Assets under construction	Functional leasehold property	Other fixed assets	Total	
	£000	£000	£000	£000	£000	£000
Cost						-
at 1 April 2020	39,366	271	1,685	9,668		50,990
Additions	148	594		290		1,032
Transfer						
Disposals	(56)			(296)		(352)
Impairment adjustments	(216)					(216)
Transfer to Parent						-
At 31 March 2021	39,242	865	1,685	9,662		51,454
						-
Depreciation						-
at 1 April 2020	3,572		291	7,751		11,614
Charged in the year	584		9	813		1,406
Release on disposal	(4)			(137)		(141)
Transfer to Parent						
At 31 March 2021	4,152	-	300	8,427		12,879
Net book value						
at 31 March 2021	35,090	865	1,385	1,235		38,575
at 31 March 2020	35,794	271	1,394	1,917		39,376

Group Fixed assets include assets with carrying values of £24,500,831 (2020: £22,219,756) which have been pledged as security for bank loans disclosed in note 12. A further asset is subject to a charge of £750,526 (2020: £750,526).

The assets under construction represent Phase 1B of the ongoing redevelopment of Kingsley Hall

Charity	Functional Freehold Property	Assets under construction	Functional leasehold property	Other fixed assets	Total	
	£000	£000	£000	£000	£000	£000
Cost						-
at 1 April 2020	35,681	-	1,685	11,099		48,465
Additions	148	-	-	290		438
Transfer	-	-	-	-		-
Disposals	(56)	-	-	(296)		(352)
Impairment adjustments	(216)					(216)
At 31 March 2021	35,557	-	1,685	11,093		48,335
						-
Depreciation						
at 1 April 2020	2,599	-	300	9,027		11,926
Charged in the year	496	-	-	810		1,306
Release on disposal	(4)	-	-	(137)		(141)
At 31 March 2021	3,091	-	300	9,700		13,091
Net book value						
at 31 March 2021	32,466	-	1,385	1,393		35,244
at 31 March 2020	33,076	-	1,394	1,896		36,366

Group Fixed assets include assets with carrying values of £21,775,284 (2020: £19,501,596) which have been pledged as security for bank loans disclosed in note 12. A further asset is subject to a charge of £750,526 (2020: £750,526).

Note 9 Financial investments

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Analysis of Changes in investment values				
Investments at Start of Year	2,399	2,553	2,384	2,538
Additions	-	10	-	9
Disposals	(635)	(70)	(635)	(69)
Gains/(Losses) on revaluation	253	(94)	249	(94)
Impairment of subsidiary investments	-	-	-	-
Investments at the end of the year	<u>2,017</u>	<u>2,399</u>	<u>1,998</u>	<u>2,384</u>
Analysis of Investments				
Investment Properties	1,071	1,705	1,071	1,705
Cash and equivalents	167	157	167	157
Listed investments	779	537	752	514
Investments in subsidiary entities	-	-	8	8
Total investments	<u>2,017</u>	<u>2,399</u>	<u>1,998</u>	<u>2,384</u>

Note 10 Social investments

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Investments at Start of Year	7,226	8,462	7,226	8,462
Additions	-	-	-	-
Disposals	(565)	(1,236)	(565)	(1,236)
Impairment of Asset	(125)	-	(125)	-
Investments and end of year	<u>6,536</u>	<u>7,226</u>	<u>6,536</u>	<u>7,226</u>
Analysis of Investments				
Social investments	6,536	7,226	6,536	7,226
Total Investments	<u>6,536</u>	<u>7,226</u>	<u>6,536</u>	<u>7,226</u>

Note 11 Debtors

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade receivables	1,164	2,297	1,058	2,198
Prepayments and accrued income	1,777	2,314	1,216	1,522
Other debtors	1,241	900	945	771
Amounts due from subsidiary undertakings	-	-	(93)	396
	<u>4,182</u>	<u>5,511</u>	<u>3,126</u>	<u>4,887</u>

Note 12 Creditors

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within 1 year:				
Derivative Financial Instrument Liabilities	131	173	131	173
Trade payables	1,838	2,440	1,660	2,379
Accrued charges and deferred income	2,386	2,943	2,342	2,899
Taxation and Social Security	2,659	1,075	2,739	1,075
Bank Loans	4,000	2,246	4,000	2,246
Other Creditors	982	743	931	618
Amounts due to Group Entities	-	-	-	48
	11,996	9,620	11,803	9,438
Amounts falling due after more than 1 year:				
Accrued charges and Deferred income	-	-	-	-
Other loans	-	100	-	-
Bank Loans	6,604	7,504	5,755	6,754
	6,604	7,604	5,755	6,754

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

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000	£000	£000	£000
Within 1 year	827	2,246	826	2,246
Within 1-2 years	835	1,293	835	1,225
Within 2-5 years	2,628	1,562	2,560	780
After 5 years	6,314	4,749	5,531	4,749
	10,604	9,850	9,752	9,000

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

Facility Provider	Interest base	Margin	Outstanding at 31 March 2021 £000	Repayable by
Metro Bank Term loan	Metro Bank base rate	3.25%	5,754	15/03/2029
Metro Bank revolving credit	Metro Bank base rate	3.50%	4,000	15/03/2022
Charity Bank Term loan (group - KHCC)	Bank of England	3.25%	750	20/06/2043
Lester Trust Fund (group - KHCC)		1.50%	100	12/07/2023

Note 13 Pensions

The Charity contributes to seven staff pension schemes, which are:

A Group Personal Pension Plan defined contribution scheme operated by **Aegon** which all permanent non-bank employees of Livability, who have successfully completed their probationary period of employment, were eligible to join until October 2013.

A Group Personal Pension Plan defined contribution scheme operated by the **People's Pension** into which all employees are enrolled when they meet the criteria for automatic enrolment and are not already enrolled in a pension scheme that meets the criteria of the Pensions Regulator.

A Group Personal Pension Plan defined contribution scheme operated by **Legal and General** into which all employees are enrolled when they meet the criteria for automatic enrolment and are not already enrolled in a pension scheme that meets the criteria of the Pensions Regulator

The Livability Final Salary Pension Scheme ("Livability DB scheme"), a defined benefit scheme which was closed to new members and further service accrual in June 2007. This scheme is administered by The Pensions Trust.

The John Grooms Pension and Assurance Scheme ("JGPAS"), a defined benefit scheme, which had been closed to new members some years ago, was closed to further service accrual in June 2007. This scheme is administered by Punter Southall.

The Teachers' Pension Scheme (a multi-employer defined benefit scheme) in which teaching staff are eligible to be members, and to which the Charity contributes at a rate fixed by the Fund actuaries.

The Pensions Trust Growth Plan (a multi-employer defined benefit scheme). There are two active members of this scheme which is closed to further benefit accrual; contributions are made at the minimum level required to maintain membership of the scheme and for reduction of the deficit in the scheme. Withdrawal from the scheme would trigger a liability estimated at 31 March 2021 at £204,000 (2020: £241,000). There is no intention to withdraw from the scheme and therefore this liability is not recognised in the Accounts at 31 March 2021.

Kingsley Hall Church and Community Centre contributes to a defined contribution scheme operated by the Pensions Trust for one member of staff.

The Livability DB scheme and JGPAS were closed to new members and benefit accrual in June 2007; members employed at the closure date retain a link between their salary and benefits payable until their retirement or their earlier date of leaving employment.

The cost of employer contributions to the defined contribution plans was £1,774,000 in the year (2020: £1,741,000). There are no prepaid contributions in respect of any of the schemes at the balance sheet date.

Note 13 Pensions (cont'd)

The defined benefit schemes are both contracted-out of the State Second Pension Scheme (S2P) and their assets are held separately from those of the Charity. Contributions to the schemes were agreed with the schemes' Trustees, in accordance with the agreed technical provisions and recovery periods agreed for each scheme.

The last triennial valuation of the Livability DB scheme was carried out as at 30 September 2020 and has been updated to 31 March 2021 by an independent qualified actuary, in accordance with FRS 102.

This most recent actuarial valuation as at 30 September 2018 showed a deficit of £6,140,000.

The employer has agreed with the Trustee that it will aim to eliminate the deficit over a period of 3 years and 10 months from 1 April 2020 by the payment of annual contributions of £1,100,000, increasing at 2.6% per annum with first increase on 1 April 2021, in respect of the deficit. In addition, the employer will pay annual contributions of £115,000 in respect of scheme expenses. The recovery contribution made to the Livability DB scheme by the Charity in the year was £1,068,000, as set out in the previous agreed deficit recovery plan, plus a contribution for administration expenses of £116,000.

An actuarial valuation of JGPAS was carried out as at 31 March 2015 and updated to 31 March 2018 by an independent qualified actuary. The recovery contribution made to the Scheme by the employer in the year was £530,000, plus administration expenses of £23,000. The contributions for the year to 31st March 2022 are expected to be £530,000.

Note 13 Pensions (cont'd)

The assets in the schemes were:

	Livability DB	JGPAS	Growth Plan	Total	Livability DB	JGPAS	Growth Plan	Total	Livability DB	JGPAS	Growth Plan	Total
	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Equity	4,594	6,241	—	10,835	4,377	5,021	—	9,398	16,427	5,612	—	22,039
Bonds	18,756	11,358	—	30,114	17,265	11,156	—	28,421	15,260	11,908	—	27,168
Property	2,206	—	—	2,206	1,762	—	—	1,762	1,531	—	—	1,531
Other	11,480	—	—	11,480	11,275	—	—	11,275	—	—	—	—
Cash and current liabilities	1,050	2,556	—	3,606	397	2,744	—	3,141	239	1,092	—	1,331
Fair value of scheme assets	38,086	20,155	—	58,241	35,076	18,921	—	53,997	33,457	18,612	—	52,069
Present value of scheme liabilities	(40,988)	(20,674)	(204)	(61,866)	(35,221)	(19,283)	(241)	(54,745)	(36,456)	(20,068)	(293)	(56,817)
Pension liability disclosed in the financial statements	(2,902)	(519)	(204)	(3,625)	(145)	(362)	(241)	(748)	(2,999)	(1,456)	(293)	(4,748)
The actual return on scheme assets over the period was:	2,950	1,284	—	4,234	1,746	367	—	2,113	1,939	1,129	—	3,068

Movements in the present value of the scheme liabilities have been:

	Livability DB	JGPAS	Total
	£000	£000	£000
Present value of liabilities at 31 March 2018	36,032	19,025	55,057
Current service cost	199	100	299
Interest cost	923	489	1,412
Remeasurement (gains) / losses	400	1,026	1,426
Benefits paid	(1,098)	(572)	(1,670)
Present value of liabilities at 31 March 2019	36,456	20,068	56,524
Interest cost	861	475	1,336
Remeasurement (gains) / losses	(901)	(649)	(1,550)
Benefits paid	(1,195)	(611)	(1,806)
Present value of liabilities at 31 March 2020	35,221	19,283	54,504
Current service cost	—	—	—
Interest cost	798	446	1,244
Remeasurement (gains) / losses	6,008	1,525	7,533
Benefits paid	(1,039)	(580)	(1,619)
Present value of liabilities at 31 March 2021	40,988	20,674	61,662

Movements in the fair value of scheme assets have been:

	Livability DB	JGPAS	Total
	£000	£000	£000
Fair value of scheme assets at 31 March 2018	31,575	17,450	49,025
Interest income	821	454	1,275
Expenses	(119)	—	(119)
Remeasurement gains / (losses)	1,118	675	1,793
Contributions by employer	1,160	605	1,765
Benefits paid	(1,098)	(572)	(1,670)
Fair value of scheme assets at 31 March 2019	33,457	18,612	52,069
Interest income	801	446	1,247
Expenses	(120)	—	(120)
Remeasurement gains / (losses)	945	(79)	866
Contributions by employer	1,188	553	1,741
Benefits paid	(1,195)	(611)	(1,806)
Fair value of scheme assets at 31 March 2020	35,076	18,921	53,997
Interest income	807	444	1,251
Expenses	(116)	—	(116)
Remeasurement gains / (losses)	2,143	840	2,983
Contributions by employer	1,215	530	1,745
Benefits paid	(1,039)	(580)	(1,619)
Fair value of scheme assets at 31 March 2021	38,086	20,155	58,241

The Growth Plan

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

	£000
Present value of payments at 31 March 2018	468
Interest cost	7
Contributions	(60)
Remeasurements	(122)
Present value of payments at 31 March 2019	293
Interest cost	4
Contributions	(49)
Remeasurements	(7)
Present value of payments at 31 March 2020	241
Interest cost	6
Contributions	(50)
Remeasurements	7
Present value of payments at 31 March 2021	204

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

	2021 £000	2020 £000	2019 £000
Expenses	116	120	119
Past service cost	—	—	299
Net interest cost	(1)	93	144
Included in net (income) / expenditure	115	213	562
Actuarial (gains) / losses	4,557	2,423	(488)
Total recognised (gains) and losses reported in the SOFA	4,672	2,636	74

Contributions and administration fees payable in the year ending 31 March 2021 are expected to be:

	£000
The Livability Final Salary Pension Scheme	1,215
The Pensions Trust Growth Plan	50
John Grooms Pension and Assurance Scheme	530
	1,795

Contributions and administration fees payable in the year ending 31 March 2022 are expected to be:

	£000
The Livability Final Salary Pension Scheme	1,244
The Pensions Trust Growth Plan	52
John Grooms Pension and Assurance Scheme	530
	1,826

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

		At 31 March 2021	At 31 March 2020	At 31 March 2019
Defined benefit schemes				
<i>The Livability Final Salary Pension Scheme</i>				
Discount rate		2.10%	2.10%	2.40%
Rate of increase in salaries		3.30%	2.70%	3.30%
Inflation assumption	CPI	2.95%	1.70%	2.30%
	RPI	3.30%	2.70%	3.30%
<i>The John Grooms Pension and Assurance Scheme</i>				
Discount rate		2.10%	2.35%	2.40%
Rate of increase in salaries		3.35%	2.60%	3.30%
Inflation assumption	CPI		1.60%	2.30%
	RPI	3.35%	2.60%	3.30%
Pension increases:				
<i>The Livability Final Salary Pension Scheme</i>				
Deferred pensions of RPI or 5% pa if less		3.30%	2.70%	3.30%
Pensions in payment of CPI or 5% pa if less		2.85%	1.85%	2.35%
Pensions in payment of CPI or 3% pa if less		2.30%	1.60%	1.95%
Pensions in payment of CPI or 2.5% pa if less		2.00%	1.45%	1.75%
<i>The John Grooms Pension and Assurance Scheme</i>				
Pension earned before 6 April 1994			5.00%	5.00%
GMP earned after 5 April 1994			1.55%	1.95%
Pension in excess of GMP earned after 5 April 1994			2.60%	3.15%
Assumed life expectancies in years on retirement at age 65 are:				
<i>The Livability Final Salary Pension Scheme</i>				
Retiring today	Males	21.2	21.7	21.2
	Females	23.1	23.4	23.0
Retiring in 20 years' time	Males	22.5	23.0	22.6
	Females	24.7	24.7	24.2
<i>The John Grooms Pension and Assurance Scheme</i>				
Retiring today	Males	22.1	21.7	21.2
	Females	24.4	24.2	23.7
Retiring in 20 years' time	Males	23.4	23.1	22.6
	Females	25.8	25.4	24.9
The Growth Plan				
Discount rate		0.66%	2.53%	1.39%

Discount rates for all schemes have been set by reference to high-quality corporate bond yields with maturity profiles that correspond to the liabilities of the defined benefit schemes and the deficit recovery payments for the Growth Plan.

Note 14 Funds (Group)

	Restated Balance at 31 March 2020	Incoming resources £000	Outgoing resources £000	Unrealised gains / (losses) £000	Transfers £000	Balance at 31 March 2021 £000
Designated Funds:						
Maintenance reserve - Designated	9,729				(76)	9,653
Revaluation fund	8,719		(27)	83	(545)	8,230
Total designated funds	18,448	–	(27)	83	(621)	17,883
General Fund	10,445	43,213	(46,930)	65	(721)	6,072
Unrestricted funds before pension liability						
	28,893	43,213	(46,957)	148	(1,342)	23,955
Pension reserve	(748)	–	(115)	(4,557)	1,795	(3,625)
Total unrestricted funds	28,145	43,213	(47,072)	(4,409)	453	20,330
Education	353	46	(39)		(17)	343
Residential & Community Services	1,360	828	(77)		(416)	1,694
Community Engagement	75	589	(588)		(20)	56
Giving by Lending	57					57
F Clements Will Trust	30					30
Kingsley Hall Church & Community Centre	1,987	1,460	(584)			2,863
Kingsley Hall, Dagenham	765					765
Prospects	61	2	(2)			61
Holton Lee	298	4	(10)			292
Total Restricted Funds	4,986	2,929	(1,300)	–	(453)	6,161
Permanent Endowment Funds						
Chiswick	475					475
Highway	2,475	4		24		2,503
Marsh St.	922					922
Coney Hill Will	26					26
Welcome	986					986
Kingsley Hall, Dagenham	694		(62)			632
SHBEF	28	1		5		34
Shaftesbury Development	506	2		13		521
Beddington	53			15		68
Platt	496					496
Total Permanent Endowment Funds	6,661	7	(62)	57	–	6,663
Total funds	39,792	46,149	(48,434)	(4,352)	–	33,154

During the year, £452k was transferred from restricted funds to unrestricted funds. Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. All expenses were individually identified and satisfies the reason for the transfer from restricted to unrestricted funds.

Note 15 Analysis of net assets by funds

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

	General £000	Designated £000	Pension £000	Restricted £000	Permanent Endowment £000	Total £000
Tangible fixed assets	11,090	22,000		3,086	2,399	38,575
Financial investments		1,088		–	929	2,017
Social investments		3,139		–	3,397	6,536
Cash	3,006	–	–	1,063	–	4,069
Other current assets	3,617	–	–	565	–	4,182
Current liabilities	(11,811)	–	–	(185)	–	(11,996)
Long-term liabilities	–	(5,754)	(3,625)	(850)	–	(10,229)
Funds at 31 March 2021	5,902	20,473	(3,625)	3,679	6,725	33,154

Prior Year

	General £000	Designated £000	Pension £000	Restricted £000	Permanent Endowment £000	Total £000
Tangible fixed assets	11,436	23,400	–	2,268	2,272	39,376
Financial investments	484	986	–	–	929	2,399
Social investments	767	3,062	–	–	3,397	7,226
Cash	456	–	–	2,767	29	3,252
Other current assets	4,592	–	–	886	34	5,511
Current liabilities	(7,289)	(2,246)	–	(85)	–	(9,620)
Long-term liabilities	–	(6,754)	(748)	(850)	–	(8,352)
Funds at 31 March 2020	10,445	18,448	(748)	4,986	6,661	39,792

Note 16 Comitments and contingent assets

	2021	2020
	£000	£000
Contracted	-	272
Approved not contracted	-	-

The amount £Nil ; 2020 (£272,000) represents the charity's financial obligation towards the development and implementation of the new Access ERP system.

Note 17 Obligations under operating leases

Group	Land and Buildings	Other equipment	Total	Land and Buildings	Other equipment	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Within 1 year	1,101	35	1,136	662	66	728
in 2-5 years	3,834	33	3,867	1,528	-	1,528
over 5 years	9,900	4	9,904	263	-	263
	14,835	71	14,907	2,453	66	2,519

Charity	Land and Buildings	Other equipment	Total	Land and Buildings	Other equipment	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Within 1 year	1,101	34	1,135	662	66	728
in 2-5 years	3,834	33	3,867	1,528	-	1,528
over 5 years	9,900	4	9,904	263	-	263
	14,835	71	14,906	2,453	66	2,519

Note 18 Financial Instruments

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Financial assets at fair value through income and expenditure				
Financial Investments	1,998	2,399	2,017	2,384
Social Investments	6,536	7,226	6,536	7,226
Financial liabilities at fair value through income and expenditure				
Interest rate options	-	(173)	-	(173)
Secured loans				
Financial liabilities measured at amortised cost				
Bank loans	(6,604)	(9,850)	(5,755)	(9,000)
Trade creditors	(1,838)	(2,440)	(1,660)	(2,379)
Amounts due to subsidiaries	-	-	-	(48)

Note 19 Related Parties

Trustees

Trustees receive no remuneration in respect of their services as Trustees of Livability. Travel and other out of pocket expenses were reimbursed to 1 Trustees in the year to the value of £90 (2020: £3,464) and the cost of providing training to Trustees in relation to their duties was nil (2020: £Nil).

Livability paid £5,544 (2020: £5,040) in the year to provide indemnity insurance for the Trustees.

Livability received donations of £1,292 (2020: £1,040) from the Trustees

	Shaftesbury Society	Livability Icanho Limited	Kingsley Hall Church and Community Centre	Livability Contracting Services Limited	East Holton Charity	Holton Lee Limited	Prospects for People with Learning Disabilities	
	£000	£000	£000	£000	£000	£000	£000	£000
2021								
Balance sheet amounts								
Amounts due to Parent undertaking	-	-	-	-	-	-	-	-
Amounts due from Parent undertaking	17	68	3	71	-	-	-	8
Income								
Donation from Parent Charity	-	-	-	-	-	-	-	-
Expenditure								
Charitable Donations paid	-	-	-	-	-	-	-	-
2020								
Balance sheet amounts								
Amounts due to Parent undertaking	-	-	294	-	-	-	42	-
Amounts due from Parent undertaking	16	-	-	23	-	-	-	-
Income								
Donation from Parent Charity	-	-	-	-	-	-	-	-
Expenditure								
Charitable Donations paid	-	53	-	-	-	-	-	-

Post Balance Sheet Events

After 1st April 2021, functional freehold Properties were disposed of, generating £7,147,884 in sales proceeds. In the same period, Social Investment Properties were disposed of, generating £410,000 in sales proceeds.

Trusts and Supporters 2020–2021

As well as the organisations listed below for their contributions towards our work, we also extend our thanks to those organisations who wished to remain anonymous; the families of those who remembered Livability in their Wills, and the thousands of generous individuals whose support makes such a huge difference to our work.

Trusts and Foundations

Mickleham Trust

Christopher Laing Foundation

Thomson Bree Charitable Trust

Joan Ainslie Charitable Trust

Talbot Village Trust

Wolfson Foundation

Bridgewater Charitable Trust

Joan Ainslie Charitable Trust

Haskins Charitable Fund

Baily Thomas Charitable Fund

Audrey Knowles Trust

Pemberton Barnes Trust

Screwfix Foundation

Morrisons Foundation

Hertfordshire Community Foundation

Suffolk Community Foundation

Charles S French Charitable Trust

Norfolk Community Foundation

Skipton Charitable Foundation

Supporters

David Smith and Julia Stanton

Richard Evans

Christopher Buddell

Geoff Hale

Barclays Community Fund

Tesco Community Grants

Waitrose

Thomson Cities and Short Breaks

Masks for NHS Heroes

JP Morgan Chase

Friends of York House

Friends of Victoria School

Friends of John Grooms Court

Friends of Keefield Close

Friends of Nash College

Friends of Dolphin Court

Croham Baptist Church

St George's Church Glascote

Welsh Evangelical Church

Thornhill Sewing & Crafts Club

Organisational Details

Patron: Her Royal Highness, The Princess Royal

Vice-Patrons: The Rt Hon The Earl of Shaftesbury, Nicholas Ashley-Cooper

President: The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury

Senior Vice-President: Baroness Valerie Howarth of Breckland OBE

Vice-Presidents:

Lord Donald Curry of Kirkharle CBE Prof Ram Gidoomal CBE

David Harmer Roy McCloughry

The Rt Hon Lord McColl of Dulwich CBE Sarah Omond

Pamela Rhodes

The Revd Canon Roger Royle Revd Michael Shaw

The Rt Revd and Rt Hon the Lord Williams of Oystermouth

Trustees:

Kate Clare, Chair of Trustees (appointed as Chair on 29 July 2019); Chair of Safeguarding Board

Sally Chivers (appointed as Chair 25 July 2018, resigned as Trustee and Chair on 29 July 2019)

John Weaving, Chair of Audit Committee (appointed 16 January 2020)

Peter Woodall (appointed 16 January 2020)

Canon Sue Johns, Chair of Services Quality Committee (appointed 16 January 2020)

Heather Laffin (appointed 16 January 2020)

Angus Brown

John Robinson CBE, Vice Chair of Trustees (appointed on 29 July 2019) and Chair of Strategic Business Committee

Andrew Wilson

Senior officers:

Chief Executive Officer – Sally Chivers (appointed 29 July 2019)

Executive Director of Operations – Jane Percy (appointed 11 May 2019)

Executive Director for Education - Adele Audin (appointed 19 January 2021)

Company Secretary and General Counsel – Mark Harvey (appointed 22 October 2019, resigned 13 September 2021)

Finance Director (Interim) - Nigel Armitt (appointed 29 December 2020, resigned 11 November 2021)

Executive Director of People (Interim) - Lola Kay-Odusanya (appointed 10 May 2021, contract ended 30 September 2021)

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

Principal Bankers: Metro Bank plc, One Southampton Row, WC1B 5HA

Auditors: Crowe UK LLP, 55 Ludgate Hill, London EC4M 7J

Principal Surveyors:

Property Valuers:

Mass & Co, 25 High Street, Brentwood, Essex CM14 4RG

Bruton Knowles, Greybrook House, 28 Brook Street, London W1K 5DH

Registered and Central Office: Livability, 6 Mitre Passage, London SE10 0ER

www.livability.org.uk