

St Monica Trust

Report of the Trustee and consolidated financial statements

Registered charity number 202151

Year ended 31 December 2020

Report of the Board and consolidated financial statements
Year ended 31 December 2020

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Report of the Board and consolidated financial statements

Year ended 31 December 2020

Report of the Trustee for the year ended 31 December 2020

The Council presents its annual report and the audited consolidated financial statements for the year ended 31 December 2020. This report consolidates the results of St Monica Trust and its subsidiaries St Monica Trading Limited and Somerdale Pavilion Trust.

The financial statements comply with the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Reference and administrative details of the Charity, its Trustee and Advisers

The Trust was founded by Henry and Monica Wills in 1925. The Trust is constituted by a Charity Commission Scheme sealed on 30 June 2005. The subsidiary St Monica Trading Limited was incorporated on 17 November 2017 and the subsidiary Somerdale Pavilion Trust was incorporated on 17 December 2018.

Registered Address of the Trust St Monica Trust
Cote Lane
Bristol
BS9 3UN

Charity Registration Number 202151

Trustee

St Monica Trustee Company Limited (a company limited by guarantee registered number 9357207) is the sole Trustee of St Monica Trust by virtue of the Charity Commission Scheme dated 19 December 2016. The directors of St Monica Trustee Company Limited, the Corporate Trustee, have ultimate responsibility for the administration of the charity and are regarded for internal governance purposes as being a trustee. The Directors are referred collectively in this report as the Council of St Monica Trust, the members of which served throughout the year and since the year-end and are set out below:

The Council

Mr T S Ross was appointed President and Chair of the Trust in June 2020.

Mrs S P Cooper – resigned 29 June 2020
Mr M Bothamley
Mr C Griffiths – resigned 29 June 2020
Dr A D Garrad CBE
Dr R P H Wilde – resigned 31 December 2020
Mrs S Darwall Smith DL
Dr F C Forrest – appointed 24 June 2020
Dr M D McCaldin – appointed 24 June 2020

Professor J McGeehan CBE
Miss H Morgan
Mrs D J England
Lady Wills
Mr A T Yates
Venerable C A Froude
Mr J R Ancell – appointed 24 June 2020
Mr R T Wynn-Jones – resigned 29 June 2020

Report of the Trustee for the year ended 31 December 2020 (continued)

Members of the Council serve for three years, being eligible for re-election for up to three periods. The Scheme provides for the appointment by the Council of six members of Council, six nominations by the Society of Merchant Venturers of Bristol (SMV) and three members nominated respectively by the Bishops of Bristol, Gloucester and Bath & Wells. Sir David Wills Bt was elected Patron of the Trust upon retiring as a Trustee on 30 June 2006.

Chief Executive

The Trust appointed Mr D Williams as Chief Executive in April 2015. Mr Williams joined the Trust from the Accord Group, where he was Executive Director for Health Care and Support. Previously, Mr Williams worked as Head of Strategy and Service Development for Housing 21 and has also held senior positions with a number of other leading charities.

Management of the Permanent Endowment

The Endowment of St Monica Trust includes the investment fund of the Trust from which an income is derived and utilised for charitable purposes. This investment fund is managed on the Trust's behalf by the Society of Merchant Venturers of Bristol ("SMV") in its capacity as Endowment Trustee of the Trust. The Society was incorporated by Royal Charter in 1552 by King Edward VI with amendments by subsequent monarchs in 1566, 1639, 1643, 1665, and 1988.

The Society of Merchant Venturers, as Endowment Trustee of St Monica Trust, implement the investment strategy and asset allocation as recommended by the Endowment Trustees' Investment Strategy Group having regard to the financial requirements of the Trust. In turn, the Finance and Investment sub-Committee and the Estates and Property sub Committee have particular management and advisory responsibilities for the endowment and report directly to the Investment Strategy Group. The overall investment strategy and objectives are subject to the approval of the Council.

Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE	
Bankers	NatWest Bank plc 32 Corn Street Bristol BS99 7UG	Lloyds Bank Canon's House, Canon's Way Bristol BS99 7LB
Solicitor	Womble Bond Dickinson (UK) LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ	

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Report of the Trustee for the year ended 31 December 2020 (continued)

Investment Adviser	Cambridge Associates 80 Victoria Street Cardinal Place London SW1E 5JL
Commercial Property Managing Agent	Alder King LLP Pembroke House 15 Pembroke Road Bristol BS8 3BA
Agricultural Estates and Land Steward	Savills 14 Cirencester Office Park Tetbury Road Cirencester GL7 6JJ

Report of the Trustee for the year ended 31 December 2020 (continued)

2 Structure, Governance and Management of the Group

History

The Trust was founded by Henry and Monica Wills in 1925.

The group is structured as three entities – the parent charity St Monica Trust and its wholly owned subsidiaries St Monica Trading Limited (incorporated on 17 November 2017) and Somerdale Pavilion Trust (incorporated on 17 December 2018). The parent conducts the charitable operations of St Monica Trust. St Monica Trading Limited was established to conduct the commercial operations undertaken at St Monica Trust's retirement village at Keynsham. The current activities being undertaken by the company include the sale of food in the B Block Café and Somer Dining Restaurant and secondly, the provision of leisure services. These services are available to residents and members of the general public. Somerdale Pavilion Trust was established to conduct the charitable activities of that Trust in providing and maintaining a pavilion, playing fields and other facilities for the use of the inhabitants of Keynsham and the surrounding areas.

Governing instrument and objects

The Trust is constituted by a Charity Commission Scheme sealed on 30 June 2005.

An amendment to the Trust's governing document was granted by the Charity Commission on 26 February 2010. The objects of the Trust, defined in clause 4 of the Scheme, which should be referred to for exact details, are from this date:

"The objects of the charity are, for the public benefit, the relief of those individuals (and if appropriate their spouses) who are in need by reason of age, disability or ill-health by the provision of:

- (a) accommodation and associated facilities; and/or
- (b) other services or assistance".

Organisational structure

In 2020 the Council has delegated the day-to-day running of the Trust to six principal committees, the Finance and Development Committee, the Care Committee, the Operations Committee, the Community Fund Committee, the Audit Committee and the Trustee Nominations Committee. From 1 January 2021, following an executive restructure, the committee structure has been amended to ensure that the committee structure follows the revised operational structure of the Trust. Membership of the existing committees at the year-end was as follows:

The Finance and Development Committee

The Committee is responsible for overseeing the financial management and performance of the Trust including the establishing of annual budgets and liaising with the Endowment Trustee in relation to financial planning. It is also responsible for overseeing new developments and monitoring of the building work involved in ongoing projects.

Mr A T Yates – Chair
Professor J McGeehan CBE
Dr A D Garrad CBE

Report of the Trustee for the year ended 31 December 2020 (continued)

The Care Committee

The Committee is responsible for overseeing the welfare and care of residents; and for carrying out monthly regulation inspections of the care homes, the care and support services and the sheltered housing facilities.

Mr T S Ross – President, Ex Officio
Dr F Forrest– Chair
Mrs S Darwall Smith DL
Lady Wills
Dr M McCaldin
Venerable C Froude
Miss H Morgan

Operations Committee

The Committee is responsible for overseeing all day-to-day operational activities including the effective management of the Trust's villages and Trust resources. Areas of responsibility include review and oversight of the provision of high quality effective and efficient services to residents and the recruitment, retention and training of staff.

Mr T S Ross – President, Ex Officio, and Chair
Mr M Bothamley
Mrs D J England
Mr A T Yates
Professor J McGeehan CBE

The Community Committee

The Committee is responsible for overseeing the provision of financial assistance, grants and gifts to individuals and organisations in the community in order to assist those with a physical disability or long-term health problem.

Mr T S Ross – President, Ex Officio
Mrs S Darwall Smith DL – Chair
Lady Wills
Mr M Bothamley
Mrs C Duckworth DL (co-opted)
Venerable C A Froude

Report of the Trustee for the year ended 31 December 2020 (continued)

The Audit Committee

The Committee is responsible for ensuring there is a framework for accountability, for examining and reviewing relevant systems and methods of control, both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with all relevant aspects of the law, regulations and good practice.

Mr T S Ross – President, Ex Officio
Mr M Bothamley
Mr A T Yates

The Trustee Nominations Committee

The Committee is responsible for nomination to Council of new Trustees.

Mr T S Ross – President, Ex Officio
Mr M Bothamley (Chair)
Mrs S Darwall Smith DL
Mrs D J England
Dr A D Garrad CBE
Venerable C A Froude

The Remuneration Committee

The Committee is responsible for oversight of reward strategy, executive pay and supporting the appraisal of the Chief Executive's performance.

Mr T S Ross – President, Ex Officio
Mrs D J England (Chair)
Mr A T Yates

Trustee induction and training

The Corporate Trustee is appointed in accordance with the provisions of the Scheme of St Monica Trust. The Directors of the Company are regarded for the internal governance purposes as being a Trustee of the Charity. On appointment each Trustee signs a Code of Conduct and attends induction meetings with other Trustees and Executives. Trustees are given a Trustee Handbook, which includes the Trustee Code of Conduct, the Charity Commission Scheme, a copy of the Risk Register and procedures on issues such as delegation of authority, recruitment, equal opportunities, investment, reserves and conflict of interest and other guidance. This information contains role descriptions of Trustees and senior executives and a copy of the Charity Commission leaflet CC3. New Trustees meet with the President and Chief Executive and are invited to an induction tour of each of the Trust's locations. According to their skills and aptitude, they take responsibility for at least one area of activity by appointment to a sub-committee of the Council. Training needs are assessed and met.

Report of the Trustee for the year ended 31 December 2020 (continued)

Senior Staff Pay policy

The Trust recognises the importance of transparency and accountability in all aspects of our work and we are committed to open information. This includes transparency about our Executive Team's salaries and how they are set.

The Trustee considers the Council and sub-committees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 27 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the Charity's Chief Executive is reviewed annually and normally increased in accordance with average earnings. The remuneration is bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Risk assessment

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice "Accounting and Reporting by Charities", the Council with the assistance of the Society of Merchant Venturers of Bristol have examined the major risks faced by the Trust and the endowment. They have developed systems to monitor and control these risks to mitigate the impact that they may have on the Trust in the future. Each Committee of the Council reviews aspects of the risks pertinent to that Committee. The Audit Committee is responsible for the overall review and update of the Risk Register at least once a year.

Financial risk management

The following statements summarise the Trust's policy in managing identified forms of financial risk:

- Price risk – The Trust negotiates contracts and fee rates to finance aspects of the Trust's activities and incorporates this information into its business plan. Salary costs are communicated to staff during the formal annual review of salaries. Prices of services and materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – credit risk on accounts owed to the Trust by its customers is low, as the majority of debtors are Local Authorities
- Liquidity risk – the Trust has borrowing facilities of £40.9m (2019: £29.2m), £24.9m was drawn down as at 31 December 2020 (2019: £23.2m), of which £24.7 is long-term (2019: £20.9m).
- Interest rate cash flow risk – the Trust is able to place surplus funds in a short-term deposit account with its bankers.
- Investment market risk – the Trust invests in a diversified portfolio of investments and properties in order to spread the risk.

Report of the Trustee for the year ended 31 December 2020 (continued)

Going concern

The Trust's activities, together with the factors likely to affect its future development, performance and position are set out in this Report of the Trustee. The balance sheet on page 28 sets out the financial position of the Trust and its cash flows can be seen in the cash flow statement on page 27.

The Trust meets its day-to-day working capital requirements through a combination of cash generated by the sale of leasehold properties, investment income from the permanent endowment and Revolving Credit Facilities. The latter also funds any capital development expenditure.

The Trustees have reviewed financial forecasts for a period of 12 months and beyond from the date of signature of these financial statements. Key uncertainties are:

- The performance of the leasehold sales cycle;
- Occupancy within the Trust's care homes and retirement living properties, particularly if impacted adversely by a recurrence of the Covid-19 pandemic; and
- The expiry of the Trust's existing debt facilities in June 2022.

Applying 'stress scenarios' in respect of the above uncertainties confirms that the Trust can continue to operate within its existing debt facilities, assuming that they are renewed at expiry. Terms have already been received from several banks seeking to support the Trust's refinancing of the current facilities, providing further comfort regarding the Trust's credit status.

A key feature in the Trust's plans over the coming financial year and beyond is the development of Block D at the Chocolate Quarter. Should the Trust's existing debt facilities for any reason not be renewed, the Trust's forecasts demonstrate that it can continue to operate sustainably within existing cash reserves and liquid investments by delaying this development expenditure to reduce cash demands.

Based on the above, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Covid-19 pandemic

In March 2020, in response to Covid-19 and consistent with the provisions of the Trust's Business Interruption Policy, a Response Team was established to ensure that resources were focussed on the necessary Resident and Staff welfare measures to enable safe and sustainable service delivery. Measures taken to support Residents and staff include the recruitment, training and deployment of more than 150 new people to help services affected by staff shielding and self-isolation, and the purchase of unprecedented levels of Personal Protection Equipment, including face masks and clothing.

The consequence of the pandemic for the Trust, in financial terms, has been substantial but not a threat to sustainable service provision. The financial impact suffered by both care homes and independent living schemes relates to the scale of additional costs and to disruption to the property market.

Report of the Trustee for the year ended 31 December 2020 (continued)

For the duration of the pandemic, the Trust's Council has agreed that revised interim governance arrangements will operate, with meetings conducted using tele-conferencing facilities.

Related parties and connected charities

Details of related parties and connected charities and transactions with them are disclosed in note 27 to the financial statements.

Reserves

The accounting policies on pages 29 to 35 describe the various funds of the Trust. Note 21 to the Financial Statements shows the assets and liabilities attributable to the various funds by type and summarises the year's movement on each fund.

The Trustee policy is to build up unrestricted reserves equivalent to approximately 12 months' projected operating costs of the Residential Care and Support and the Grants and Gifts objects. This will be achieved through retained surpluses on the Unrestricted Fund and will incorporate the value of the Designated Fund. At 31 December 2020 the value of unrestricted reserves was £38.8m (2019: £21.7m).

Grant-making policy – Residents' subsidies and support in the community

Applications for subsidies against full fees for residents and grants to support the community are monitored by the Council.

3. Objectives, Activities, Achievements and Performance

(A) Overview

The impact of the coronavirus epidemic which struck the UK in February 2020 has led to a dramatic reassessment of the Trust's immediate aims. The Trust's primary objective in 2020 has been formulating its response to Covid-19 and protecting the health and well-being of our residents, colleagues and volunteers from the virus. For the first 9 months of 2020 all of the Trust's resources have been fully focused on maintaining its frontline services, protecting residents and staff and ensuring that the organisation had the financial capacity to cover the many business implications associated with the pandemic and the government restrictions to operation.

Within the last quarter of 2020, the trust restructured its Executive team to better reflect the requirements of the Trust in formulating and delivering a financial recovery plan in 2021, from the effects of Covid on its services and to address underlying operational performance issues that predated the pandemic. The key changes within the Executive restructure were:

- the creation of two distinct business directorates, Nursing Homes and Property/Residential Development.
- The creation of a Charitable Impact Directorate with responsibility for the allocation of all endowment income both within operational services and to the wider community.

Report of the Trustee for the year ended 31 December 2020 (continued)

- The appointment of a Finance and Transformation Director with responsibility for business and digital transformation of the organisation.
- The creation of a Group Services Directorate encompassing all organisation wide internal service deliver including Human Resources and Marketing/Communication.

It is anticipated that the Trust's recovery programme will run for three years, taking the Trust up to the end of the 2023 financial year.

(B) The focus of our work

In 2020 the Trust's focus was the protection of both its residents and staff during the pandemic. During this period the Trust ceased all work not related to direct service provision or its Covid response both within the organisation, regionally and nationally.

The Trust key actions:

- Establishment of a 24-hour Pandemic Response Team
- Roll out of organisation wide infection control training.
- The creation of reliable PPE supply chains.
- Creation of multiple communication pathways and platforms for residents, staff and relatives.
- Closure of all sites to public access.
- The recruitment of 150 helping hands workers.
- Introduction of lateral flow testing.

During 2020 the Trusts average death rate amongst residents was less than the previous 5year average, which is testimony to hard work and dedication of the Trust's workforce.

(C) The strategies we use to deliver our objectives

The objectives of St Monica Trust focus the work of the Charity on older people and adults with a physical disability or long-term illness. The **mission statement** of the Charity '**Working together to support and celebrate the lives of older people**' the strategies we use to meet such objectives include:

- Providing **retirement housing/sheltered housing accommodation** all of which is disability-friendly and capable of supporting individuals in wheelchairs.
- '**Extra Care**' **Housing** in partnership with Bristol City Council and North Somerset Council. This concept is a fresh approach to the provision of accommodation and support for older people. Service users enjoy the comfort of living within their own home as an alternative to

Report of the Trustee for the year ended 31 December 2020 (continued)

entry into a care home and are thus afforded greater choice and independence and the stimulation of a lively environment in which to live.

- **Care and Support** – many people prefer to ‘stay put’ as their care needs increase. A programme of Care and Support can be provided that enables individuals to maintain their independence within their own home. A 24-hour Care and Support service is available within the Trust’s own retirement housing settings.
- High quality **nursing and residential care** are key elements of the support provided by the Trust. In addition to long-term care, short-term places are available to give a carer a much-needed break, or for those recovering following an operation or period of hospitalisation, and as a ‘safe haven’ for those older people facing an emergency or breakdown in their normal care arrangements. Many elements of our short-term care are operated in partnership with the NHS and local authorities.

In recent years, caring for people living with **Alzheimer’s disease and other forms of dementia** has become a central feature of the services offered by the Trust. This highly specialist care is provided in safe and positive environments where activities and therapies are a regular part of daily life.

- **Care at Home** – 2020 was the eighth full year of operation of the Trust’s Homecare Service. During this year and with the decrease in European workers coming to the UK following Brexit, the Trust has continuously struggled to recruit the necessary skilled staff to enable it to deliver the amount of care hours required to breakeven, the service has continued to be reliant on the receipt of an increasing subsidy from the endowment fund in order to fully cover its costs. Since the end of the 2020 financial year, a decision has been taken by Trustees to close the Care at Home service to customers outside of the Trust’s villages.
- **The Community Impact** – Our Community Impact Directorate works outside our villages to improve the wellbeing of older people living across the West of England. Whatever we are doing in the community, we work with local organisations and individuals to effect change.

The Trusts’ Community Connections work focuses on developing ongoing relationships with organisations, individuals, stakeholders and decision makers across the region in order to contribute to collectively improving the wellbeing of older people in the area.

Working across Bristol, Bath and North East Somerset, North Somerset and South Gloucestershire, We provide funding and support to organisations working with older people, finding ways to use our resources more effectively.

During the Coronavirus Pandemic, we engaged with local charities to quickly identify ways to improve the situation for isolating older people such as digital exclusion, access to cash, medicines and groceries. We also worked with a collaboration of VCSE organisations to provide a coordinated support hub for older people in the city.

Report of the Trustee for the year ended 31 December 2020 (continued)

Through our Community Giving work, we provide individuals over 40 with a long-term disability or illness gifts of essential items and/ or short term to offer support through a crisis, which is paid at a level which will not affect benefits or tax credits.

The Trust continues to be a core member of the Bristol Older People's Funding Alliance, sharing community intelligence and adopting a more strategic approach to grant giving for older people, encouraging collaboration with the aim of maximizing the funding available in the city.

- **Recruitment and retention of staff**

St Monica Trust aims to recruit and retain a high calibre workforce in order to deliver the high quality of care that we have built our reputation upon.

Recruiting the 'right' people that share the Trust's values is equally as important as recruiting people with the right skills. We offer a competitive pay and benefits package and are continually reviewing ways of improving this. We ensure employees are supported in the workplace using an annual performance management process that cascades organisational objectives and focuses on personal development at regular intervals during a 12-month period. We aspire to be a high-quality employer.

The Trust prides itself on its training and development provision for employees, employing an in-house team of skilled trainers that deliver tailored training both internally to St Monica Trust staff and externally to other care providers; and we are also an accredited assessment centre for health and social care qualifications. All colleagues must complete a comprehensive mandatory training programme upon appointment and undertake regular updates to stay up to date. Tailored training is provided upon request to teams to target specific areas of need.

Delivering well-being for older people is the Trust's mission statement; this aim also extends to the well-being of colleagues. Promoting the health and well-being of colleagues is not only seen as a positive staff retention initiative but also contributes to the quality of care provided to residents/customers in terms of promoting continuity of care through reduced absenteeism, and improved staff morale.

(D) Public benefit and maximising access to our services

The Trustee of St Monica Trust has referred to the Charity Commission's general guidance on public benefit when reviewing and planning the work of the Charity. The concern of the Trustees has been to ensure that the Trust, in servicing the needs of older people, has due regard to the particular needs of those individuals within the beneficiary group who live in poverty.

Whilst all persons who receive support from the Community Fund are individuals who can be regarded as in financial need, people who access our other services emanate from a range of socio-economic backgrounds. The legal and regulatory framework in relation to payment by the state for care remains firmly rooted in a system of means testing. For example, any individuals who have money or assets in excess of £23,250 will find themselves responsible for meeting the cost of living in a care home.

Report of the Trustee for the year ended 31 December 2020 (continued)

When approximately 75% of the population over 65 years own their own property, quite clearly the welfare state assumes financial responsibility for only a percentage of people who need care.

Thus, along with other voluntary organisations, the Trust engages with people in need of a service, some of whom can afford the fee and others who are unable to meet such costs. The traditions and the philosophy of the Trust, and indeed the guidance of the Charities Act 2011, ensure that the Trust makes provision for individuals who are unable to pay the fees for relevant services and thus are able to benefit and not be excluded from the Trust's services.

In 2020, the Trust helped 19,245 (2019: 16,440) people, of which 17,807 or 92.5% (2019: 14,857 or 90.4%) were afforded financial support by the Trust.

Of the total above, the Trust helped 1,835 individuals in 2019 (2019: 1,865) in its residential care services (care homes and retirement villages), of which 34% or 617 (2019: 31%, 569 people), were afforded financial support by the Trust. The Trust's Care at Home service also assisted 220 individuals in their own home (2019: 287).

The Trust also helped 509 individuals (2019: 408) in financial need through its Individual Giving scheme plus a further 230 people (2019: 500) directly through the activities of its Community Impact Team. In addition, a further 16,451 (2019: 13,380) people benefitted indirectly from the Trust's financial support for local, community-based organisations.

Report of the Trustee for the year ended 31 December 2020 (continued)

- **Positive work of the Community Impact Team**

The St Monica Trust Community Impact Team aims to ease the financial pressure and improve the daily lives of older people or those who have a physical or sensory impairment, or a long-term physical health problem need financial help. This is because they are more likely to be on a low income and face additional costs, such as high heating bills or special diets. The St Monica Trust Community Impact Team aims to ease the financial pressure and improve the daily lives of older people, individuals and families by helping them to buy the essential things they need or supporting them through a crisis.

In 2020, the team operated in the following manner:

Requests received	927 gift and grant requests received (2019: 789)
Gifts awarded	329 gifts awarded worth £142,450 (2019: £161,085)
Short-term grants	192 new short-term grants awarded 37 people receiving a short-term grant at the year end Value of short-term grants: £89,830 (2019: £57,630)
Organisations	Grants were awarded to 70 organisations worth £513,781 (2019: 35 organisations; £296,350) including the CAB Residents Advice Service and Active Ageing Bristol. In September 2020, Age UK Bristol took over the hosting of the Active Ageing Bristol project, with continued support from St Monica Trust and the Anchor Society. The project aims to improve the number of people from the local area and over the age of 55 to become in regular physical activity, coaching and volunteering. 2020 saw the fifth year of our successful collaboration with Quartet Community Foundation, providing grants to Organisations working with older people in North Somerset. Since it's launch in 2016, £173,000 has been granted to 23 Organisations. In 2020 the Bristol Older Peoples Funding Alliance worked in partnership with local services, providing £100,000 of funding to improve the lives of older people during the pandemic.
People helped	At least 509 individuals were helped directly and many more were helped through the work of organisations funded. This included 16,451 individuals supported by SMT funding.
Total net giving	£746,061 (2019: £629,262)
Community Impact Team	£253,670 (2019: £250,921)
TOTAL COMMUNITY IMPACT COST	£999,731 (2019: £880,183)

Report of the Trustee for the year ended 31 December 2020 (continued)

In 2020, the Community Impact Team were founding partners of the Bristol Support Hub for Older People, formed to help older people in Bristol and their families to cope with the impact of coronavirus [COVID-19]. It now consists of 37 organisations who are working together to support older people by offering practical, emotional and social support.

2020 also saw the culmination of all external projects:

- The Stockwood Communities in Transition project (September 2020), which leaves a legacy of several community led initiatives plus development of the STAR bereavement support model, which is being rolled out across the city and being used as a best practice example nationally.
- Befriending Scheme in Bedminster/Southville and Stockwood, Sandford and surrounding villages (March 2020). Over the life of this project over 300 older people received social visits and friendship from volunteers, many of these relationships are continuing.
- The ACE Neighbours programme (September 2020).

The objectives and achievements of the Endowment Trustee were as follows:

The objectives for the year:

- Agricultural property investments: To attain an average annual real (inflation adjusted) total return of at least 3% over the long term (measured over rolling 10 year periods).
- Financial investments: To attain an average annual real (inflation adjusted) total return of at least 3% over the long term (measured over rolling 10 year periods) and to outperform a composite benchmark measured over 3 year rolling periods.

The composite benchmark for allocation of financial investments is as follows:

%	Benchmark
17%	FTSE 350 High Yield Index
15%	Barclays Global Aggregate Bond Index (Hedged)
40%	MSCI World Index
15%	HFRI Fund of Funds Diversified Index
8%	MSCI Emerging Markets Index
5%	FTSE Hi-Yield Cash-Pay Capped Index

- Income: To provide the Trust with £6.5 million net unrestricted income for 2020.

Achievements for the year have been as follows:

Summary: The market value of St Monica Trust's investments managed by the Endowment Trustee increased from £286 million at 31 December 2019 to £293 million at 31 December 2020 (this includes the Commercial Property at Block C which has been treated as an investment property in both years).

Report of the Trustee for the year ended 31 December 2020 (continued)

2020 saw volatility for stock markets. The Coronavirus pandemic led to a fall in dividend income and valuations and then a rebound in valuations following vaccine approvals and successful inoculation roll out. Global policy measures provided a supportive backdrop for risk assets. During the year the Bank of England's Monetary Policy Committee cut the base rate from 0.75% to 0.25% and then to 0.1%

Asset Allocation: The broad asset allocation at 31 December 2020 was:

Agricultural property – 56%

Commercial property – 3%

Financial investments – 39%

Cash on deposit – 2%

This accords with the broad target asset allocation of 60% property and 40% financial investments.

Agricultural Property Investments:

For the 10 years to 31 December 2020 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 8.0% per annum for the 10 years against the inflation + 3% benchmark of 4.8%.

Financial Investments:

A detailed financial investment strategy has been produced to provide the required income for the Trust's operations, both short and long term, and to ensure future capital growth. By using the advisory management of Cambridge Associates, the Endowment Trustee has been able to interview and select the best managers from a wide section of the investment market and so diversify the risk.

The composition of the portfolio was fairly stable in 2020 with the following transactions taking place:

- A switch from Stewart Global Emerging Leaders Fund into the Stewart Global Emerging Market Sustainability Fund (£3.2m).
- A full redemption from Fir Tree and reinvestment of the proceeds into the ROW Diversified Fund.
- A full redemption from Davide Leone in December 2020, with the proceeds being reinvested in 2021 (following redemption receipt).

For the 10 years to 31 December 2020 the portfolio achieved its objective of attaining an average annual real (inflation adjusted) total return of at least 3%. Actual average annual performance was 6.7% per annum for the 10 years against the inflation +3% benchmark of 4.8%.

For the 3 years to 31 December 2020 the portfolio returned 2.78% (2019: 4.8%) against the benchmark of 2.1% (2019: 6.9%).

Report of the Trustee for the year ended 31 December 2020 (continued)

Income:

The Endowment Investments provided the Trust with £6.02m (2019: £6.84m) of net unrestricted funds in 2020 against a target of £6.5m, a shortfall of £0.48m. Income is measured on a three-year rolling basis and for the three years to 31 December 2020 the Endowment Investments provided the Trust with £19.4m against the target of £19.0m, an excess of £0.4m.

In addition to the endowment income provided, the Trustees asked the Endowment Trustee to manage Block C, a commercial building at the Chocolate Quarter during the year. A surrender premium was negotiated in respect of one floor occupied by a tenant, and this has resulted in additional income of £1.95m being recognised in 2020 in respect of this.

Report of the Trustee for the year ended 31 December 2020 (continued)

4. Financial review

The Trust's financial position at the end of 2020 was strong, with unrestricted reserves of £38.8 million (2019: £21.7 million) and net assets of £305.6 million (2019: £304.3 million). The increase in unrestricted funds is the result of the transfer of £20 million from the permanent endowment following the approval by the Charity Commission of a resolution made by the Trustees under section 282 of the Charities Act. This resolution was made in direct response to the risks posed by the Covid-19 pandemic and the resulting transfer provides additional resource to the charity to effectively mitigate those risks.

The Trust is reliant on the unrestricted income from the Permanent Endowment, which in 2020 was £6.0 million (2019: £6.8 million) compared with the target for the year of £6.5 million (2019: £6.5 million).

Subsidiary company results

These statements include the second year of trading activity for St Monica Trading Limited. The principal activity of the company is to undertake the commercial operations at the Trust's retirement village at Keynsham. The current activities include catering and leisure facilities offered to residents and members of the general public. The trading result for the year was a profit of £15k which will be used to support the Trust's charitable objectives.

These statements include the first full year of trading activity for Somerdale Pavilion Trust. The principal activity of the charitable company is to provide and maintain a pavilion, playing fields and other facilities for the use of the inhabitants of Keynsham and the surrounding areas. The trading result for the year was a profit of £61k.

5. Plans for future periods

The Trust will deliver the following objectives in 2021:

Emerging from the financial challenges of the Covid-19 pandemic, the immediate priority for the Trust is to regain financial balance. The Aims of Recovery Plan will be:

- To return the organisation to overall breakeven (total income vs total costs) by the end of 2023; and
- To rebalance the application of endowment income subsidy away from internal operations and towards greater external charitable giving (recognising the need and desire to retain some subsidy in internal services commensurate with the Trust's objectives and reputation). Within a five-year period 50% of the Trust's endowment income should be spent (or available to spend) externally.

Critical to successfully delivering the plan will be investment in improved financial reporting and systems. As part of the Trusts digital transformation programme the Trust will commission and implement a digital financial system during 2021.

Report of the Trustee for the year ended 31 December 2020 (continued)

In addition to the recovery plan the Trust will develop an:

- Endowment income strategy: Defining how the Endowment Income received by the trust is distributed both within its operational services and externally to achieve maximum charitable benefit.

Infrastructure Reset Programme: the Infrastructure Reset Programme will gather data to scope and evidence the scale of upgrading required in the Trust's digital infrastructure and physical estate to bring it up to a foundation standard over the Recovery Plan period

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Report of the Trustee confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all the steps that he/ she ought to have taken as a Trustee to make himself/ herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditors

St Monica Trust, Board of Trustees re-appointed auditors KPMG LLP at its Board meeting held on 23 June 2021.

By order of the Board



Mr Timothy Ross
President of the Council

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the group and the charity financial statements in accordance with applicable law and regulations.

The trustees are required to prepare both the group and the charity financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the group's and the charity's incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the group and the charity financial statements;
- state whether the group and the charity financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the group and charity financial statements of St Monica Trust ("the charity") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, charity statement of financial activities, consolidated cash flow, consolidated and company balance sheets and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2020 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charity or to cease their operations, and as they have concluded that the group and charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, as to the Group’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as the calculation of investment property and pension assumptions

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, and employment law, recognising the nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal

Independent auditors' report to the Trustee of St Monica Trust

correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 20, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the charity'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 they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 2 August 2021

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Report of the Board and consolidated financial statements
Year ended 31 December 2020

Consolidated statement of financial activities (including an income & expenditure account)
for the year ended 31 December 2020

	Note	Unrestricted Funds	Designated fund	Other restricted funds	Expendable endowment funds	Permanent endowment funds	Total Funds 2020	Total Funds 2019
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Income from charitable activities								
Residential care and support		31,886	-	-	-	-	31,886	30,693
Accommodation income		1,365	640	-	-	-	2,005	1,715
Generated funds								
Investment income	4	10,211	-	5	-	-	10,216	9,096
Total income		43,462	640	5	-	-	44,107	41,504
Expenditure								
Costs of raising funds								
Investment management charges	6a	(44)	-	-	-	(842)	(886)	(737)
Property operational costs	6b	(1,078)	-	-	-	-	(1,078)	(1,417)
Commercial trading operations	6c	(45)	-	-	-	(414)	(459)	(214)
Total costs of generating funds	6	(1,167)	-	-	-	(1,256)	(2,423)	(2,368)
Charitable activities								
Costs in furtherance of the Trust's objects								
Residential care and support	7	(43,106)	-	(5)	-	(66)	(43,177)	(39,439)
Accommodation costs		(860)	-	-	-	-	(860)	(654)
Community support		(1,000)	-	-	-	-	(1,000)	(766)
Governance	8	(80)	-	-	-	-	(80)	(55)
Total charitable expenditure		(45,046)	-	(5)	-	(66)	(45,117)	(40,914)
Total expenditure		(46,213)	-	(5)	-	(1,322)	(47,540)	(43,282)
Net income/(expenditure) before investment gains/ (losses)		(2,751)	640	-	-	(1,322)	(3,433)	(1,778)
Realised and unrealised gains on investments	14	(825)	-	11	-	5,795	4,981	17,438
Net income/(expenditure) for the year before transfers		(3,576)	640	11	-	4,473	1,548	15,660
Transfers between funds	9	(344)	290	-	20,000	(19,946)	-	-
Actuarial gain/(loss) on defined benefit pension	28	-	-	-	-	(241)	(241)	(740)
Net movement in funds		(3,920)	930	11	20,000	(15,714)	1,307	14,920
Total funds brought forward		16,698	5,031	356	-	282,191	304,276	289,356
Total funds carried forward	21	12,778	5,961	367	20,000	266,477	305,583	304,276

Incoming resources and resulting net movement in funds in each year arise from continuing operations. The group has no recognised gains or losses for the current or previous year other than those shown above.

Report of the Board and consolidated financial statements
Year ended 31 December 2020

Charity statement of financial activities
for the year ended 31 December 2020

	Note	Unrestricted Funds	Designated fund	Other restricted funds	Expendable endowment funds	Permanent endowment funds	Total Funds 2020	Total Funds 2019
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Income from charitable activities								
Residential care and support		31,620	-	-	-	-	31,620	30,316
Accommodation income		1,365	640	-	-	-	2,005	1,715
Generated funds								
Investment income	4	10,211	-	5	-	-	10,216	9,096
Total income		43,196	640	5	-	-	43,841	41,127
Expenditure								
Costs of raising funds								
Investment management charges	6a	(44)	-	-	-	(842)	(886)	(737)
Property operational costs	6b	(1,078)	-	-	-	-	(1,078)	(1,417)
Commercial trading operations	6c	(45)	-	-	-	(414)	(459)	(214)
Total costs of generating funds	6	(1,167)	-	-	-	(1,256)	(2,423)	(2,368)
Charitable activities								
Costs in furtherance of the Trust's objects								
Residential care and support	7	(42,759)	-	(5)	-	(66)	(42,830)	(39,147)
Accommodation costs		(860)	-	-	-	-	(860)	(654)
Community support		(1,000)	-	-	-	-	(1,000)	(766)
Governance	8	(73)	-	-	-	-	(73)	(55)
Total charitable expenditure		(44,692)	-	(5)	-	(66)	(44,763)	(40,622)
Total expenditure		(45,859)	-	(5)	-	(1,322)	(47,186)	(42,990)
Net income/(expenditure) before investment gains/ (losses)		(2,663)	640	-	-	(1,322)	(3,345)	(1,863)
Realised and unrealised gains on investments	14	(825)	-	11	-	5,795	4,981	17,438
Net income/(expenditure) for the year before transfers		(3,488)	640	11	-	4,473	1,636	15,575
Transfers between funds	9	(344)	290	-	20,000	(19,946)	-	-
Actuarial gain/(loss) on defined benefit pension	28	-	-	-	-	(241)	(241)	(740)
Net movement in funds		(3,832)	930	11	20,000	(15,714)	1,395	14,835
Total funds brought forward		16,514	5,031	356	-	282,191	304,092	289,257
Total funds carried forward	21	12,682	5,961	367	20,000	266,477	305,487	304,276

Incoming resources and resulting net movement in funds in each year arise from continuing operations. The group has no recognised gains or losses for the current or previous year other than those shown above.

Report of the Board and consolidated financial statements
Year ended 31 December 2020

Consolidated cash flow statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Net (expenditure)/income		1,307	14,920
Interest receivable		(2,286)	(2,840)
Depreciation of tangible assets		2,788	2,576
Profit on disposal of accommodation		(504)	(511)
Losses/(gains) on investment assets		(4,981)	(17,438)
Actuarial gains on pension scheme less contributions paid		122	664
Change in trade and other debtors		6,289	4,648
Change in stocks		13	(14)
Change in trade and other creditors		856	13,444
Net cash (used in)/from operating activities		3,604	15,449
Cash flows from investing activities			
Interest received		19	19
Dividend income received		2,267	2,821
Purchase of tangible fixed assets		(3,488)	(3,970)
Proceeds from sale of tangible fixed assets		1,365	1,165
Purchase of investments		(19,222)	(15,199)
Decrease in fixed asset investment cash deposits		(1,994)	(1,237)
Proceeds from sale of investments		19,207	11,144
Net cash from/(used in) investing activities		(1,846)	(5,257)
Cash flows from financing activities			
Repayment of bank loans		1,634	(9,091)
Loan drawdowns		-	-
Net cash (used in)/from financing activities	25	1,634	(9,091)
Movements in cash and cash equivalents in the reporting year		3,392	1,101
Cash at bank and in hand at beginning of year		6,406	5,305
Cash at bank and in hand at end of year	25	9,798	6,406

Report of the Board and consolidated financial statements
Year ended 31 December 2020

Consolidated and charity balance sheets at 31 December 2020

	Note	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Tangible assets	13	149,287	149,448	149,279	149,445
Investments	14	293,029	286,039	293,029	286,039
		442,316	435,487	442,308	435,484
Current assets					
Stocks	15	43	56	43	49
Debtors	16	11,061	17,350	11,060	17,442
Cash at bank and in hand		9,798	6,406	9,619	6,142
		20,902	23,812	20,722	23,633
Creditors: due within one year	17	(24,629)	(27,380)	(24,537)	(27,382)
Net current liabilities		(3,727)	(3,568)	(3,815)	(3,749)
Total assets less current liabilities		438,589	431,919	438,493	431,735
Creditors: due after more than one year	18	(124,125)	(118,884)	(124,125)	(118,884)
Net assets excluding pension liability		314,464	313,035	314,368	312,851
Pension liability	28	(8,881)	(8,759)	(8,881)	(8,759)
Net assets		305,583	304,276	305,487	304,092
Permanent endowment fund net of pension liability		266,477	282,191	266,477	282,191
Other restricted funds	19	367	356	367	356
Total restricted funds		266,844	282,547	266,844	282,547
Designated fund	20	5,961	5,031	5,961	5,031
Expendable endowment fund		20,000	-	20,000	-
Unrestricted fund		12,778	16,698	12,682	16,514
Total unrestricted funds		38,739	21,729	38,643	21,545
Total funds		305,583	304,276	305,487	304,092

These financial statements were approved by the Board on 23 July 2021 and were signed on its behalf by:



Mr Timothy Ross
President of the Council

Report of the Board and consolidated financial statements

Year ended 31 December 2020

Notes

(forming part of the financial statements)

Accounting policies

Basis of preparation

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

St Monica Trust 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 note.

Notwithstanding the Trust's net current liabilities of £3.7m at the end of 2020, the Trustees have prepared the financial statements on a going concern basis which they consider is appropriate for the following reasons.

The Trustees have reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the group and charity will have sufficient funds to meet its liabilities as they fall due for that period.

As noted in the Report of the Trustee, this has included modelling of plausible downside scenarios. In the event that a combination of more extreme stresses occurred affecting the operations of the Trust, £107 million of endowment assets as at the balance sheet date can be liquidated in less than one month. This amount would support the charity's normal operations for more than two years.

Consequently, the Trustees are confident that the group and charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

Basis of consolidation

These consolidated financial statements include the financial statements of St Monica Trust ("the charity") and St Monica Trading Limited and Somerdale Pavilion Trust ("the subsidiaries"). These financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis.

The trading results of the subsidiaries are disclosed in notes 2 and 3 to these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Report of the Board and consolidated financial statements

Year ended 31 December 2020

Notes (continued)

(forming part of the financial statements)

The Trustees consider that besides the points listed below there are no other critical judgements or sources of estimation uncertainty requiring disclosure;

Investment properties

The valuation of investment properties is a critical accounting judgement in respect of the application of the Trust's accounting policies. The method by which the Trustees have assessed the fair value of the investment properties at year end is described in detail in note 14. The valuations are based on company data, including current rental rates, occupancy, terms and conditions of leases and upon market related assumptions such as yield and discount rates. An element of 'hope value' is also included in the valuation of properties in line with accounting standards.

Leasehold Apartment Sales at The Chocolate Quarter

The established method of accounting for leasehold apartment sales is that receipts are held as a liability until conclusion of the lease as detailed in the Lifetime Lease Accounting Policy Note. At The Chocolate Quarter a lease is offered which provides the leaseholder with a choice between equity participation and fixed return. The accounting treatment of an equity participation lease is that the initial sale results in recognition of income and costs in the Statement of Financial Activities. The Trust has followed the general principle for income recognition in the Charities SORP and FRS 102.

Defined benefit pension scheme

The Trust has an obligation to pay pension benefits to certain employees and past employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including life expectancy, salary increases, and the discount rate on corporate bonds. The principal assumptions made by the Trust can be found in note 28. Management estimates these factors in determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends.

Donations and legacies

Dividends and interest on capital and income fund investments are included as income in the financial statements on an accruals basis.

Voluntary income

This is credited to the appropriate fund in the year in which it is receivable.

Government grants

These are credited to the appropriate fund in the year in which they are receivable.

Residential care and support

Fees from residents and other service-user income is credited to the unrestricted fund on an accruals basis.

Notes (continued)

(forming part of the financial statements)

Accommodation Income

The Trust offers leases to tenants at The Chocolate Quarter on a fixed repayment (i.e. the tenant will receive the price they paid on exit) or equity participation basis (i.e. the exit amount is driven by the market). Where the lessee opts for a fixed repayment, the proceeds are recognised as a liability in accordance with the lifetime leases accounting policy described on page 32. However, where the lessee opts for the equity participation arrangement, the Trust is under no obligation to repurchase the apartment until the property has been sold on to a new tenant.

Therefore, the proceeds from the initial sale of a property under an equity participation lease are recognised as income in the statement of comprehensive income, with a corresponding cost of sale recognised in accommodation costs.

Under both the fixed repayment and equity participation arrangements, the Trust becomes entitled to a surrender fee, payable at the end of the lease, which is accrued annually over the life of the lease. This is recognised within accommodation income in the statement of financial activities (SoFA) as it is earned.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs are allocated or apportioned to one of the functional categories of resources expended in the statement of financial activities.

(a) Costs of generating funds relate to those costs incurred in the management of the fixed asset investments.

(b) Costs in furtherance of the Trust's objects relate to those costs incurred in running and supporting the objects of the Trust.

Support costs

Support costs are apportioned to categories of expenditure, and only governance costs are separately disclosed.

Grants payable

Grants are awarded from the Community Fund and a detailed analysis and explanation of grants awarded has been provided in the Report of the Trustee.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

Report of the Board and consolidated financial statements

Year ended 31 December 2020

Notes (continued)

(forming part of the financial statements)

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Tangible fixed assets

All expenditure on the acquisition, enhancement, production or installation of fixed assets for use by the Trust and all receipts of such assets by way of gift are capitalised and included in the balance sheet at cost. The freehold land and property is included in fixed assets at cost. Assets with a value below £1,000 are not capitalised.

Tangible fixed assets include apartments which may be disposed of within 12 months through an equity participation lease (see accommodation income accounting policy above).

Capitalisation of finance costs

All finance costs in respect of the bank loan obtained for the Keynsham, Westbury-on-Trym, Bedminster and Sandford developments up to the point when these developments commenced normal operations are capitalised within tangible fixed assets and are being amortised over the life of the asset to which they relate.

Depreciation

Depreciation is provided with the intention of writing off the costs of tangible fixed assets (to residual values) over their useful lives. The provision is calculated using the straight-line method at the following rates:

Assets in the course of construction	Nil
Freehold buildings	2%
Special building assets	14%
Furniture and equipment	12.5% to 33.3%
Motor vehicles	25%

Freehold land is not depreciated. The residual values of freehold buildings were revised by management during 2014. The revision resulted in a reduction to the depreciation expense of £1.4m in that year.

Impairment reviews

Impairment reviews are carried out annually which includes consideration of current selling price of properties against the carrying value of each asset.

Lifetime leases

The Trust provides a lifetime leasehold purchase scheme for up to 351 properties across four of its sites in which the lease operates for the duration of the purchaser's occupation of the property and then reverts to the Trust on their departure. The cash received under this scheme is returned to the lease holder or their estate when the lease is determined. The Trust, therefore, always has a liability

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Year ended 31 December 2020

Notes (continued)

(forming part of the financial statements)

to repay the full value of the lease proceeds, which is reflected in the balance sheet as amounts due to lifetime leasehold tenants. When a lease is determined, the Trust will sell the lease on to another purchaser under the same lifetime lease arrangement, thus restoring the funding and the liability to repay the value of the lease when, in turn, it is determined.

In addition, the Trust has a further 136 leasehold properties at its site in Keynsham. The lessee has an option at this site to have a fixed repayment lease with the liability recognised as described in the above policy. However, where the lessee opts for an Equity Participation arrangement the accounting policy is as described in the Accommodation Income note on page 31.

Investments

Both current and fixed asset investments are stated at mid-market value at the balance sheet date. This is not in accordance with FRS 102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

All recognised gains and losses on investments are shown separately in the statement of financial activities. The investments in the subsidiary undertakings are stated at cost.

Investment properties

Investment properties are included in the balance sheet at their open market value on an existing use basis. The valuation is determined on the basis of professional advice and includes an element of hope value in line with accounting standards. In accordance with FRS 102 investment properties are revalued annually and the aggregate surplus or deficit is included as an unrealised gain or loss within the permanent endowment fund. No depreciation or amortisation is provided in respect of freehold investment properties.

Stocks

Stocks consist of catering supplies and have been valued at the lower of cost and net realisable value.

Leased assets

Rentals in respect of operating leases are charged directly to the statement of financial activities on a straight-line basis over the lease term.

Pension costs

The employees of the Trust are eligible to join a group personal pension plan with Aviva or with the National Employment Savings Trust (NEST). The Trust's pension contributions for current employees are charged to the statement of financial activities in the year in which the obligation to make contributions arises.

The Trust pays certain discretionary pensions, which are not funded under a closed defined benefit scheme. The pension liability in respect of this obligation is recognised in the balance sheet based on annual actuarial valuations. Actuarial gains or losses are included in the statement of financial activities.

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(forming part of the financial statements)

Further details in respect of unfunded pension liabilities are contained in note 28. The Trustees have confirmed with the Charity Commission that the pension liability may be treated as a deduction from the Permanent Endowment Fund, and, as a result, the Permanent Endowment Fund in the “Funds” section of the balance sheet is shown net of the estimated pension liability.

Basic financial instruments

(a) Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

(b) Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(c) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Permanent endowment fund

The permanent endowment fund incorporates the original endowment together with surpluses arising from disposals of investments, that element of gravel royalties which represents the depletion of the site and, by orders of the Charity Commission, the recoupment from income by annual contributions, over 25 years or 30 years, of capital expenditure made on real estate improvements and leasehold property.

Expendable endowment fund

On 16 November 2020 the Charity Commission approved a resolution made by the Trustees to redesignate £20 million of the permanent endowment for use by the Trust in furtherance of its objectives and as if it were income. This resolution was made to ensure that, in the light of the

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Notes (continued)

(forming part of the financial statements)

impacts of the pandemic on the Trust's income streams and cost base, the Trust had sufficient ongoing resources to continue providing services. The result is that £20 million has been transferred from permanent endowment funds into an unrestricted expendable endowment fund during the financial year. Expenditure from the expendable endowment will be charged against the fund in future years.

Restricted funds

These are other funds for which the donor has specifically restricted the purpose for which they can be used. The amounts in the funds represent the monies remaining for future expenditure. There are two restricted funds which are held by the Trust and explained in more detail below:

(a) Residents' legacy fund

These are funds donated by residents, which have restricted purposes for which they can be applied.

(b) Community support fund

These are funds donated by beneficiaries of the Trust's community support services, which have restricted purposes for which they can be applied.

Unrestricted fund

Operating income together with income arising from permanent endowment and unrestricted fund investments is credited to the unrestricted fund. The Charity Commission Scheme permits the fund to be applied towards contributions to the management expenses, the expenses related to running the operational activities, establishing a reserve fund and paying annuities and gifts. Any balance remaining may be accumulated for endowment purposes, but in practice is currently retained as unrestricted funds as explained in the reserves policy in The Report of the Trustee.

Designated fund

A designated fund exists to hold a proportion of the community fee and exit fees for the Equity Participation and Fixed Repayment leasehold options as detailed in the Accommodation Income accounting policy. These funds are set aside for future maintenance costs.

Subsidiaries

Details of subsidiary undertakings owned by the charity are disclosed in notes 2 and 3.

Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiaries, St Monica Trading Limited and Somerdale Pavilion Trust.

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Year ended 31 December 2020

Notes (continued)

(forming part of the financial statements)

2 Trading subsidiary's results (St Monica Trading Limited)

	2020	2019
	Total	Total
	£'000	£'000
Turnover	324	844
Cost of sales	<u>(105)</u>	<u>(254)</u>
Gross profit	219	590
Administration and other costs	<u>(204)</u>	<u>(525)</u>
Trading profit	15	65
Other income	<u>-</u>	<u>-</u>
Net income	15	65
Management charge from St Monica Trust	-	-
Tax on profit	<u>-</u>	<u>-</u>
Retained profit for the year		
Retained profit	<u>15</u>	<u>65</u>
Retained profit carried forward	<u>15</u>	<u>65</u>

Gift aid and distributions totalling £14,890 (2019: £163,576) will be made post year end in relation to the current year

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Notes (continued)

(forming part of the financial statements)

The assets and liabilities of the subsidiary were:

	2020 Total £'000	2019 Total £'000
Fixed assets	-	-
Current assets	19	168
Creditors: amounts falling due within one year	(4)	(4)
Provisions for liabilities and charges		-
Net assets	15	164
Profit and loss reserve	15	164
Equity shareholders' funds	15	164

Statement of changes in equity

	Share Capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019	1	98,595	98,596
Period ended 31 December 2019			
Profit and total comprehensive income for the period	-	64,981	64,981
Distributions to parent charity under gift aid		-	-
Balance at 31 December 2019	1	163,576	163,577
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	14,890	14,890
Distributions to parent charity under gift aid	-	(163,576)	(163,576)
Balance at 31 December 2020	1	14,890	14,891

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Notes (continued)

(forming part of the financial statements)

3 Trading subsidiary's results (Somerdale Pavilion Trust)

Somerdale Pavilion Trust (a company limited by guarantee) was incorporated on 17 December 2018. The subsidiary's comparative figures below and within the 2019 consolidation are for the short period 2 September 2019 – 31 December 2019.

	2020	2019
	Total	Total
	£'000	£'000
Income		
Grant income	98	67
Charitable activities	290	190
Other trading activities	263	96
	651	353
Expenditure		
Charitable activities	572	310
Other	18	23
	(590)	(333)
Net income	61	20
Net movement in funds	61	20
Total funds brought forward	20	-
Total funds carried forward	81	20

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Notes (continued)

(forming part of the financial statements)

The assets and liabilities of the subsidiary were:

	2020	2019
	Total	Total
	£'000	£'000
Fixed assets	8	3
Current assets	235	289
Creditors: amounts falling due within one year	(162)	(272)
Net assets	81	20
Total restricted funds	-	-
Total unrestricted funds	81	20
Total funds	81	20

4 Investment income

Group and charity	2020	2019
	£'000	£'000
(a) Unrestricted fund		
Commercial investment properties	4,216	2,075
Agricultural investment properties	3,714	4,181
Listed and other investments	2,262	2,725
Interest on cash deposits	19	19
Other investments	-	91
	10,211	9,091
(b) Restricted funds		
Distributions from CCLA Investment Management Limited	5	5
	10,216	9,096

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Notes (continued)

(forming part of the financial statements)

5 Analysis of total resources expended

Group

	Staff costs	Depreciation	Other costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds					
(note 6)	-	-	2,423	2,423	2,368
Charitable expenditure					
Residential care and support (note 7)	30,956	2,788	9,433	43,177	39,439
Accommodation costs	-	-	860	860	654
Community support	238	-	762	1,000	766
Governance costs (note 8)			80	80	55
	31,194	2,788	11,135	45,117	40,914
	31,194	2,788	13,558	47,540	43,282

All support costs have been allocated to one charitable activity (Residential care and support).

Charity

	Staff costs	Depreciation	Other costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds					
(note 6)	-	-	2,423	2,423	2,368
Charitable expenditure					
Residential care and support (note 7)	30,575	2,788	9,467	42,830	39,147
Accommodation costs	-	-	860	860	654
Community support	238	-	762	1,000	766
Governance costs (note 8)	-	-	73	73	55
	30,813	2,788	11,162	44,763	40,622
	30,813	2,788	13,585	47,186	42,990

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Notes (continued)

(forming part of the financial statements)

6 Costs of generating funds

Group and charity

	2020	2019
	£'000	£'000
(a) Investment management charges		
Society of Merchant Venturers of Bristol – reallocation of salaries, overheads and general advisory	251	246
Investment manager fees	239	101
Agricultural estate management	352	349
Commercial properties management	44	41
	886	737
(b) Property operational costs		
Agricultural estates	379	445
Commercial properties	699	971
	1,078	1,416
(c) Major repairs & other costs		
Agricultural estates	459	214
Total costs of generating funds	2,423	2,368

7 Residential care and support

Group

	2020	2019
	£'000	£'000
Staff costs	30,956	28,105
Residential services	909	856
Site services	1,284	1,466
Provisions and catering	1,205	1,380
Insurance	394	372
Property and equipment (including depreciation)	6,050	4,967
Miscellaneous	658	646
Management and administration	1,721	1,648
	43,177	39,440

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Notes (continued)

(forming part of the financial statements)

Charity

	2020	2019
	£'000	£'000
Staff costs	30,575	27,906
Residential services	895	855
Site services	1,210	1,409
Provisions and catering	1,188	1,358
Insurance	394	372
Property and equipment (including depreciation)	6,003	4,936
Miscellaneous	884	682
Management and administration	1,681	1,629
	42,830	39,147

8 Governance costs

	2020	2019
	£'000	£'000
Group		
Auditor's remuneration (including irrecoverable VAT)		
- for audit	40	40
- other professional services	39	12
Trustee expenses	1	3
	80	55
Charity		
Auditor's remuneration (including irrecoverable VAT)		
- for audit	35	36
- other professional services	37	16
Trustee expenses	1	3
	73	55

Neither the Council, nor persons connected with them, received any remuneration or other benefits from the Trust during the current or previous year. Reimbursement of expenses amounted to £nil during the year (2019: £nil).

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Notes (continued)

(forming part of the financial statements)

9 Transfers

Group and charity	Unrestricted fund	Designated fund	Other restricted funds	Expendable Endowment funds	Permanent endowment funds
	£'000	£'000	£'000	£'000	£'000
Service Charge Transfer (A)	(344)	290	-	-	54
Section 282 Transfer (B)	-	-	-	20,000	(20,000)
Total Transfers	(344)	290	-	20,000	(19,946)

(A) During the year £344,000 (2019: £344,000) has been transferred out of the unrestricted fund which represents service charges received from residents. The transfer is part of an agreement to designate funds for future maintenance costs on the Westbury-on-Trym, Cote Lane and Bedminster sites, £290,000 (2019: £290,000) has been transferred into the designated fund and £54,000 (2019: £54,000) into the permanent endowment fund.

(B) On 16 November 2020 the Charity Commission approved a resolution made by the Trustees to redesignate £20 million of the permanent endowment for use by the Trust in furtherance of its objectives and as if it were income. This resolution was made to ensure that, in the light of the impacts of the pandemic on the Trust's income streams and cost base, the Trust had sufficient ongoing resources to continue providing services.

10 Staff numbers and costs

The average headcount in the year for the group was 1,596 (2019: 1,569). The full time equivalent average number of persons employed by the group during the year, including directors, analysed by category, was as follows:

	2020	2019
	Total	Total
	£'000	£'000
Residential care and support	847	836
Community support	3	3
Management of the Trust	23	23
	873	862

The aggregate payroll costs were as follows:

	2020	2019
	Total	Total
	£'000	£'000
Wages and salaries	26,280	24,098
Social security costs	1,822	1,595
Pensions	988	992
Agency staff costs	2,104	1,658
	31,194	28,343

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Notes (continued)

(forming part of the financial statements)

During the current and previous year, the Trustees were not paid any remuneration or reimbursed for expenses, and no Trustees made donations to the charity.

Key management remuneration in total for the year was £965,170 (2019: £950,080).

The number of employees whose emoluments, excluding pension contributions, were in excess of £60,000 per annum fell within the following bands:

	2020 Number	2019 Number
£60,001 to £70,000	4	4
£70,001 to £80,000	2	1
£80,001 to £90,000	2	4
£90,001 to £100,00	2	-
£100,001 to £110,000	-	1
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1
£140,001 to £150,00	1	-
£150,001 to £160,000	-	-
£160,001 to £170,000	-	-
£170,001 to £180,000	-	1
£180,001 to £190,000	-	-
£190,001 to £200,000	1	1

These members of staff have pension benefits accruing under the group personal pension plan.

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Notes (continued)

(forming part of the financial statements)

I I Net movement on funds is stated after charging

	2020	2019
	£'000	£'000
Auditors' remuneration – Charity (excluding VAT)		36
Auditors' remuneration – Subsidiaries (excluding VAT)		4
Auditors' remuneration – for other professional services		12
Depreciation and other amounts written off tangible fixed assets	2,424	2,576
Inventories recognised as an expense	1,205	1,380

I2 Taxation

The charity is not liable to taxation on the net income from its primary activity. Stated below are the tax details of the subsidiary St Monica Trading Limited:

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on results of the year	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (19%), (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
<i>Current tax reconciliation</i>		
Profit before tax (of trading subsidiary only)	<u>15</u>	<u>65</u>
Current tax at 19%	3	12
<i>Effects of:</i>		
Gift Aid payments	(3)	(12)
Total current tax charge (see above)	<u>-</u>	<u>-</u>

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Year ended 31 December 2020

Notes (continued)

(forming part of the financial statements)

13 Tangible fixed assets

Group	Assets in the course of construction £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>					
At beginning of year	2,068	152,683	21,794	327	176,872
Transfers	(749)	749	-	-	-
Additions	374	1,793	1,244	77	3,488
Disposals in the year	-	(831)	(58)	(8)	(897)
At end of year	<u>1,693</u>	<u>154,394</u>	<u>22,980</u>	<u>396</u>	<u>179,463</u>
<i>Depreciation</i>					
At beginning of year	-	13,521	13,599	304	27,424
Charge for year	-	753	2,017	18	2,788
Depreciation on disposals	-	(9)	(19)	(8)	(36)
At end of year	<u>-</u>	<u>14,265</u>	<u>15,597</u>	<u>314</u>	<u>30,176</u>
<i>Net book value</i>					
At 31 December 2020	<u>1,693</u>	<u>140,129</u>	<u>7,383</u>	<u>82</u>	<u>149,287</u>
At 31 December 2019	<u>2,068</u>	<u>145,407</u>	<u>1,194</u>	<u>779</u>	<u>149,448</u>

The above schedule includes finance costs of £3,890,000 (2019: £3,890,000) relating to loan interest and charges incurred for financing the new Keynsham, Monica Wills House, the sheltered flats and the Garden House Annexe at Cote Lane, and the Sandford developments.

Land costing £27,025,000 (2019: £26,025,000) is not depreciated.

The Trustee's review of the fixed assets has concluded that their value is not impaired.

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Notes (continued)

(forming part of the financial statements)

	Assets in the course of construction £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Charity					
<i>Cost</i>					
At beginning of year	2,068	152,683	21,791	327	176,869
Transfers	(749)	749	-	-	-
Additions	374	1,793	1,238	77	3,482
Disposals in the year	-	(831)	(58)	(8)	(897)
At end of year	<u>1,693</u>	<u>154,394</u>	<u>22,971</u>	<u>396</u>	<u>179,454</u>
<i>Depreciation</i>					
At beginning of year	-	13,521	13,599	304	27,424
Charge for year	-	753	2,016	18	2,787
Depreciation on disposals	-	(9)	(19)	(8)	(36)
At end of year	<u>-</u>	<u>14,265</u>	<u>15,596</u>	<u>314</u>	<u>30,175</u>
<i>Net book value</i>					
At 31 December 2020	<u>1,693</u>	<u>140,129</u>	<u>7,375</u>	<u>82</u>	<u>149,279</u>
At 31 December 2019	<u>2,068</u>	<u>139,162</u>	<u>8,192</u>	<u>23</u>	<u>149,445</u>

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Notes (continued)

(forming part of the financial statements)

I4 Fixed asset investments

Group

	Investment Properties £'000	Financial securities £'000	Cash on deposit £'000	Other investments* £'000	Total £'000
Cost					
At beginning of year	55,767	81,859	5,800	2,913	146,339
Transfer from Fixed Assets	-	-	-	-	-
Additions	62	19,160	1,994	-	21,216
Disposals	(250)	(11,463)	-	-	(11,713)
At end of year	55,579	89,556	7,794	2,913	155,842
Revaluation – unrealised gains					
At beginning of year	121,994	19,382	-	(1,676)	139,700
Disposals	(1,650)	(3,392)	-	-	(5,042)
Net gains arising on revaluation	3,779	(682)	-	(568)	2,529
At end of year	124,123	15,308	-	(2,244)	137,187
Net book value					
At 31 December 2020	179,702	104,864	7,794	669	293,029
At 31 December 2019	177,761	101,241	5,800	1,237	286,039

There were total realised and unrealised gains during the year of £4,981,000 (2019: Gain £17,438,000).

* Other investments are Hercules Unit Trust income units, investments in CCLA Investment Management Limited.

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Notes (continued)

(forming part of the financial statements)

Investments with a market value of greater than 5% of total quoted securities at 31 December 2020 and 2019:

Investment	Portfolio 2020	Portfolio 2019
Artemis Equity Income Fund	-	5.4%
Brummer Multi-Strategy 2 XL Fund	5.8%	5.2%
NinetyPne (formerly Investec UK Special Situations Fund)	5.5%	6.9%
Newton Global Higher Income Fund	9.6%	10.1%
JO Hambro Global Select Equity Fund	7.2%	5.8%
KBI Institutional Developed Equity Fund	8.0%	9.5%
Trojan Income Fund	5.4%	6.4%
Kiltearn Global Equity Fund	7.4%	8.3%
Liontrust (formerly Neptune Income Fund)	-	-

The total cumulative surplus/(deficit) on revaluing investment properties is as follows:

	2020 £'000	2019 £'000
Commercial property (note (a))	(200)	(200)
Agricultural property (note (b))	124,323	122,194
	124,123	121,994

(a) Subject to the exception noted under (c) below, the last tri-annual valuation for the commercial property was at 31 December 2018 by CBRE Limited in accordance with the RICS Valuation – Professional Standards 2014 (the ‘Red Book’).

(b) The agricultural property has been valued at 31 December 2020 by the Land Steward in accordance with the RICS Valuation – Professional Standards 2014 (the ‘Red Book’).

(c) Block C at The Chocolate Quarter has been valued at 31 December 2020 by Alder King LLP in accordance with the RICS Valuation – Global Standards 2017 – incorporating the International Valuation Standards (Red Book) and the UK national supplement FRS102 ‘The Financial Reporting Standard’ applicable to the United Kingdom and Republic of Ireland.

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(forming part of the financial statements)

Charity

	Subsidiary undertakings £'000	Investment Properties £'000	Financial securities £'000	Cash on deposit £'000	Other investments* £'000	Total £'000
Cost						
At beginning of year	-	55,767	81,859	5,800	2,913	146,339
Transfer from Fixed Assets	-	-	-	-	-	-
Additions	-	62	19,160	1,994	-	21,216
Disposals	-	(250)	(11,463)	-	-	(11,713)
At end of year	-	55,579	89,556	7,794	2,913	155,842
Revaluation – unrealised gains						
At beginning of year	-	121,994	19,382	-	(1,676)	139,700
Disposals	-	(1,650)	(3,392)	-	-	(5,042)
Net gains arising on revaluation	-	3,779	(682)	-	(568)	2,529
At end of year	-	124,123	15,308	-	(2,244)	137,187
Net book value						
At 31 December 2020	-	179,702	104,864	7,794	669	293,029
At 31 December 2019	-	177,761	101,241	5,800	1,237	286,039

The charity owns 100% of the issued share capital of St Monica Trading Limited (company registration number: 11070522), a company incorporated in England and Wales. The total share capital is £1 – too small to show in the rounded figures above. The principal activities of this company are conducting the commercial operations undertaken at St Monica Trust's retirement village at Keynsham.

* Other investments are Hercules Unit Trust income units, investments in CCLA Investment Management Limited.

I5 Stocks

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Sundry stocks	43	56	43	49

Stock relates to catering purchases in the SoFA of £1,205,000 (2019: £1,380,000)

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Notes (continued)

(forming part of the financial statements)

16 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,445	2,490	2,445	2,490
Prepayments and accrued income	3,656	7,540	3,597	7,653
Other debtors	4,960	7,320	4,959	7,186
Amounts owed by group undertakings	-	-	59	113
	11,061	17,350	11,060	17,442

Prepayments and accrued income include accrued consideration for agricultural disposals of £Nil (2019: £7,221,000), in respect of the Cheddington and Quakers Walk disposals. Professional fees in respect of the agricultural portfolio are £1,500,000.

Other debtors include an agricultural disposal for Brockworth of £470,000 (2019: £4,023,000) and cash in transit of £3,185,000 relating to the redemption from the David Leone Fund (2019: £Nil).

17 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	1,747	1,806	1,747	1,797
Bank loan	116	2,362	116	2,362
Amounts due to lifetime leasehold tenants	15,073	14,989	15,073	14,989
Other creditors	2,108	2,016	2,118	1,968
Tax and Social Security	1,263	1,457	1,254	1,457
Accruals and deferred income	4,322	4,750	4,214	4,642
Amounts owed to group undertakings	-	-	15	167
	24,629	27,380	24,537	27,382

Accruals and deferred income includes accruals of £1,936,000 (2019: £1,899,000) and deferred income comprising £2,386,000 (2019: £2,851,000).

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Deferred income comprises care home fees of £1,255,002 (2019: £1,819,595), sheltered housing rent and service charges of £409,396 (2019: £470,664), commercial rents of £451,456 (2019: £444,662) and other of £270,062 (2019: £115,746):

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred income brought forward	2,851	2,165	2,799	2,165
Recognised in the year	2,386	2,851	2,319	2,799
Released to the SoFA in the year	(2,851)	(2,165)	(2,799)	(2,165)
Deferred income carried forward	2,386	2,851	2,319	2,799

18 Creditors: amounts falling due after more than one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loan	24,739	20,859	24,739	20,859
Amounts due to lifetime leasehold tenants	99,386	98,025	99,386	98,025
	124,125	118,884	124,125	118,884
Age analysis of bank loan				
Due within one year	116	2,362	116	2,362
Between two and five	24,604	20,595	24,604	20,595
After five years	135	264	135	264
	24,855	23,221	24,855	23,221

The Trust's bank loans have been arranged with no security having been provided by the Trust to the lender.

Bank loans consist of:

- Keynsham development loan relating to the commercial Block C of £20,000,000 which is fully utilised. The interest rate is 0.90% above LIBOR and is repayable in July 2022
- Revolving credit facilities of £20,000,000 of which £4,000,000 has been drawn down. The interest rate is 1.10% above LIBOR. The facility end date is 28 June 2022.
- John Wills Annex loan of £854,909 which is due for repayment by January 2028. The interest rate is 0.65% above bank base rates.

The amounts due to lifetime leasehold tenants relates to amounts paid by the residents for their leases, which is repayable when the properties are vacated.

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(forming part of the financial statements)

19 Other restricted funds – Group and charity

	At 1 January 2020	Incoming resources	Outgoing resources	Gains on investments	At 31 December 2020
	£'000	£'000	£'000	£'000	£'000
Residents' legacy fund	162	3	3	4	166
Community support fund	194	2	2	7	201
	356	5	5	11	367

20 Designated fund – Group and charity

A designated fund has been set up for future maintenance costs on the Westbury-on-Trym, Cote Lane, Sandford and Bedminster sites. Transfers from the unrestricted fund have been made in line with the expected costs, and represent service charges received from residents.

	Total £'000
At 1 January 2020	5,031
Transfer from the unrestricted fund	290
Surrender Fees	640
At 31 December 2020	5,961

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Notes (continued)

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21 Analysis of funds

Group

	Unrestricted fund	Designated fund	Restricted fund	Expendable endowment	Permanent endowment fund	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Movement in funds						
At 1 January 2020	16,698	5,031	356	-	282,191	304,276
Net incoming/(outgoing) resources	(2,751)	640	-	-	(1,322)	(3,433)
Transfers between funds	(344)	290	-	20,000	(19,946)	-
Gains on investment assets	(825)	-	11	-	5,795	4,981
Actuarial loss on pension liability	-	-	-	-	(241)	(241)
At 31 December 2020	12,778	5,961	367	20,000	266,477	305,583
Representation of fund balances	£'000	£'000	£'000	£,000	£'000	£'000
Tangible fixed assets	123,419	-	-	-	25,868	149,287
Investments	22,875	-	332	20,000	249,822	293,029
Cash and bank balances	9,801	-	-	-	(3)	9,798
Other current assets and liabilities	(19,192)	5,961	35	-	(329)	(13,525)
Long term creditors	(124,125)	-	-	-	-	(124,125)
Pension liability	-	-	-	-	(8,881)	(8,881)
At 31 December 2020	12,778	5,961	367	20,000	266,477	305,583
Unrealised and realised investment asset gains / (losses) included above	(825)	-	11	-	5,795	4,981

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Charity

	Unrestricted fund	Designated fund	Restricted fund	Expendable endowment fund	Permanent endowment fund	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Movement in funds						
At 1 January 2020	16,514	5,031	356	-	282,191	304,092
Net incoming/(outgoing) resources	(2,663)	640	-	-	(1,322)	(3,345)
Transfers between funds	(344)	290	-	20,000	(19,946)	-
Gains on investment assets	(825)	-	11	-	5,795	4,981
Actuarial gain on pension liability	-	-	-	-	(241)	(241)
At 31 December 2020	12,682	5,961	367	20,000	266,477	305,487
Representation of fund balances	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	123,411	-	-	-	25,868	149,279
Investments	22,875	-	332	20,000	249,822	293,029
Cash and bank balances	9,622	-	-	-	(3)	9,619
Other current assets and liabilities	(19,101)	5,961	35	-	(329)	(13,434)
Long term creditors	(124,125)	-	-	-	-	(124,125)
Pension liability	-	-	-	-	(8,881)	(8,881)
At 31 December 2020	12,682	5,961	367	20,000	266,477	305,487
Realised and unrealised investment asset gains included above	(825)	-	11	-	5,795	4,981

22 Capital commitments

	2020 £'000	2019 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,857	4,730

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Notes (continued)

(forming part of the financial statements)

23 Operating leases as a lessee

The future minimum lease payments under non-cancellable operating leases expected to be paid by the Charity and Group will fall due as follows:

	2020 Group and Charity plant and machinery £'000	2019 Group and Charity plant and machinery £'000
Within one year	8	12
Between one and five years	16	20
After five years	-	-
	24	32

The total charge to the statement of financial activities in the year in respect of operating lease rentals for the hire of plant and machinery was £10,000 (2019: £14,000).

24 Operating leases as a lessor

The future minimum lease payments due to be received under non-cancellable operating leases by the Charity and Group are as follows:

	2020 Group and Charity leasehold property £'000	2019 Group and Charity leasehold property £'000
Within one year	1,334	1,307
Between one and five years	6,635	8,107
After five years	3,754	5,744
	11,723	15,158

25 Reconciliation of movement in net cash

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Investments	5,800	1,994	7,794
Cash at bank and in hand	6,406	3,392	9,798
Bank loan	(23,221)	(1,634)	(24,855)
	(11,015)	3,752	(7,263)

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(forming part of the financial statements)

26 Analysis of changes in net debt

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Cash and cash equivalents			
Cash	6,416	3,384	9,800
Overdrafts	(10)	8	(2)
Cash equivalents	6,406	3,392	9,798
Borrowings			
Debt due within one year	(2,362)	2,246	(116)
Debt due after one year	(20,859)	(3,880)	(24,739)
	(23,221)	(1,634)	(24,855)
Total	(16,815)	1,758	(15,057)

27 Related party transactions

A number of the Trust's Council members are also members of the Society of Merchant Venturers. The Trust paid a fee including reallocation of salaries and overhead costs totalling £251,000 (2019: £246,000) to the Society of Merchant Venturers of Bristol to cover the services it provides in its role as Endowment Trustee (note 6(a)).

A professional indemnity insurance premium of £2,900 (2019: £2,800) was paid by the Trust on the behalf of the Trustees.

The charity owns 100% of the issued share capital of St Monica Trading Limited (company registration number: 11070522), a company incorporated in England and Wales. During the period St Monica Trust provided to St Monica Trading Limited staff time, catering supplies and other operating costs totalling £304,930 (2019: £676,039) and collected £323,869 (2019: £843,073) of income. The amount owing to St Monica Trading Limited at the period end was £14,938 (2019: £167,636). A Gift Aid payment was made to St Monica Trust by St Monica Trading Limited of £163,576 in respect of the trading results for 2019 (2019: £98,595 in respect of the trading results for 2018).

St Monica Trustee Company is the sole member of Somerdale Pavilion Trust (company registration number: 11730938), a company limited by guarantee, incorporated in England and Wales and registered as a charity (registered charity number: 1182426). During the period, St Monica Trust provided staff time and funds for operating expenses to Somerdale Pavilion Trust totalling £64,884 (2019: £152,654) and provided services to St Monica Trust in the form of parking and academy rent totalling £236,850 (2019: £39,476). The amount owed by St Monica Trust at the year-end was £58,789 (2019: £113,178).

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Notes (continued)

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28 Pension schemes

Unfunded pension liability

The Trust has granted unfunded defined benefit pensions to some current and former employees of the Trust. The valuation of the pensions was carried out as at 31 December 2020 by PriceWaterhouseCoopers, a qualified independent actuary who are a fellow of the Institute of Actuaries. Pension payments made for the year ended 31 December 2020 in respect of the defined benefit pensions were £287,000 (2019: £298,000).

The principal assumptions made by the Trust were:	2020	2019	2018	2017
	%	%	%	%
Rate of increase in pensionable salaries	3.0	3.0	3.2	3.1
Rate of increase in pensions in payment	2.9	2.9	3.0	3.0
Inflation rate	3.0	3.0	3.2	3.1
Discount rate	1.3	2.0	2.8	2.5
Pensioner and non-pensioner mortality SAPS all MC	1% pa	1% pa	1% pa	1% pa
The amounts recognised in the balance sheet are as follows:	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(8,881)	(8,759)	(8,095)	(8,505)
Deficit in the scheme	(8,881)	(8,759)	(8,095)	(8,505)

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**Analysis of amount charged to net outgoing resources
in respect of defined benefit pensions**

	2020	2019
	£'000	£'000
Interest on pension liability	(168)	(222)
Total operating charge	(168)	(222)

	2020	2019
	£'000	£'000
Movement in liability during the year		
Liability at the start of the year	(8,759)	(8,095)
Movement:		
Employer contributions (including pension payments)	287	298
Interest cost	(168)	(222)
Actuarial gain / (loss)	(241)	(740)

**Liability at the end of the year covered by a specific
provision in the financial statements**

(8,881)	(8,759)
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**Analysis of amount recognised in the statement of financial
activities**

	£'000	£'000
Actuarial gain / (loss) recognised in the statement of financial activities	(241)	(740)

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Amounts for the current and previous four periods are as follows

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Scheme assets	-	-	-	-	-
Scheme liabilities	(8,881)	(8,759)	(8,095)	(8,505)	(8,876)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in plan	(8,881)	(8,759)	(8,095)	(8,505)	(8,876)
Actuarial gains/(losses) on liabilities	(241)	(740)	316	303	(1,249)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Statement of total recognised gains and losses for the period ending 31 December	(241)	(740)	316	303	(1,249)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Other pension scheme

The Trust also contributes to a group personal pension plan. The contributions made by the Trust to this pension scheme are charged to the statement of financial activities when they fall due and were £816,000 (2019: £766,000).

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29 Comparative charity statement of financial activities

	Restricted funds				
	Unrestricted Funds	Designated fund	Other restricted funds	Permanent endowment funds	Total Funds 2019
	£'000	£'000	£'000	£'000	£'000
Income					
<i>Income from charitable activities</i>					
Residential care and support	30,316	-	-	-	30,316
Accommodation income	1,166	549	-	-	1,715
<i>Generated funds</i>					
Investment income	9,091	-	5	-	9,096
Total income	40,573	549	5	-	41,127
Expenditure					
<i>Costs of raising funds</i>					
Investment management charges	(41)	-	-	(696)	(737)
Property operational costs	(1,417)	-	-	-	(1,417)
Major repairs and other costs	(45)	-	-	(169)	(214)
Total costs of generating funds	(1,503)	-	-	(865)	(2,368)
Charitable activities					
<i>Costs in furtherance of the Trust's objects</i>					
Residential care and support	(37,239)	-	(5)	(1,903)	(39,147)
Accommodation costs	(654)	-	-	-	(654)
Community support	(766)	-	-	-	(766)
Governance	(55)	-	-	-	(55)
Total charitable expenditure	(38,714)	-	(5)	(1,903)	(40,622)
Total expenditure	(40,217)	-	(5)	(2,768)	(42,990)
Net income/expenditure before investment losses	356	549	-	(2,768)	(1,863)
Realised and unrealised losses on investments	-	-	42	17,396	17,438
Net income/expenditure before transfers and Net income/(expenditure) for the year	356	549	42	14,628	15,575
Transfers between funds	(344)	290	-	54	-
Actuarial gain/(loss) on defined benefit pension	-	-	-	(740)	(740)
Net movement in funds	12	839	42	13,942	14,835
Total funds brought forward	16,502	4,192	314	268,249	289,257
Total funds carried forward	16,514	5,031	356	282,191	304,092