

Friendship + Connections



- + Happiness**
- Isolation**
- Barriers**
- + Community**

It all adds up to

Livability

A message from our Patron HRH The Princess Royal



BUCKINGHAM PALACE

Livability is a charity that works for a barrier free society, one where all disabled people can flourish. This year saw the launch of their new strategy that looks to address any barriers to provide a liveable community where everyone can participate and belong.

As Patron, I have enjoyed meeting the people Livability support and seeing the services provided across the UK. I have met those that live in Livability's residential care homes, the welders at Maesbury Metals and seen the finished pieces behind the craftsmanship that takes place at the wellbeing centre at Livability Holton Lee. Overall, I have been proud to witness how Livability supports disabled people to live their lives and flourish.

From rehabilitation and education centres, to independent living and the vital work of supporting those living with dementia, the charity is making huge strides to remove the barriers that are in force in today's society.

I look forward to seeing the strategy mature, and in tandem, the charity growing in the year ahead under the new leadership team. Finally, may I commend all the staff on their work and achievements this year.

A message from Livability's Chair of Trustees and CEO

As we present this Annual Report, there is much to celebrate and for which to be thankful in Livability. We support disabled people in three key areas of their lives; in our schools and college; in our care services; in our rehabilitation services. In doing so, not only do we provide great care, we help to overcome the barriers which disabled people may face; these barriers can so often result in loneliness and isolation.

We acknowledge that this has been a year of significant change. Following the financial year under review, in June, Helen England, our previous CEO, left Livability due to ill health and we thank her for all she contributed and wish her well in the future. We also commend our staff for their personal and combined efforts in maintaining 'business as usual' throughout this transitional time.

Following Helen's departure Sally Chivers resigned as Chair of Trustees to take up the role of CEO, and Kate Clare assumed the role of Chair of Trustees.

In 2019 we launched a strategy which hones a new business direction and addresses our vision where all people can flourish and enjoy full participation. Its focus is on how we, as an efficient organisation, can enable the best in disability care, in specialist education and in rehabilitation; we have a renewed focus on connected communities.

These are challenging times, and like many organisations in the disability and social care sector, we experience financial constraints and see our resources stretched. Livability is responding to these challenges by developing business opportunities and financial performance. We seek increasingly innovative ways to serve those who have chosen us to support them.

Throughout, our vision remains steadfast, supporting and enabling disabled people, both personally and in their communities, to live the life which adds up for them.

To achieve this, we build on our rich Christian heritage and engage our vibrant Christian ethos and values: to be open, enabling, inclusive and courageous. We strive to apply these to all we do, together with the people we support, our staff, volunteers and friends, supporters and donors, partners, churches and communities who share our vision and our passion for social justice.

Our thanks and great appreciation to all who support us in prayer and action.



Kate Clare
Chair of Trustees



Sally Chivers
CEO

Contents

Trustees' Report	2
Principal activities, core values and objects	2
Structure, governance and management	4
Strategic Report	11
Highlights from 2018-19	13
Financial Review	16
Principal risks and uncertainties	20
Statement of Trustees' responsibilities for the Financial Statements	22
Disclosure of information to Auditor	22
Independent Auditor's Report to the Members of Livability	23
Livability Group Consolidated Statement of Financial Activities	26
Livability Charity Statement of Financial Activities	27
Livability Group and Charity Balance Sheets	28
Statement of Cash Flows	29
Notes to the Statement of Cash Flows	30
Note to financial statements	31
Trusts and Supporters 2018-19	69
Organisational Details	70

Trustees' Report

Principal activities, core values and objects

About Livability

Livability exists to support disabled people to live a life that adds up for them. Working with the people we support, we tackle barriers that impact disabled people, to enable better wellbeing and participation for all. We deliver a wide range of care, education, vocation and rehabilitation services, and strive to grow community connections that help people thrive.

Our vision

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

What motivates us to act

We are not satisfied with a world where disabled people face barriers to the life they wish to live. We find barriers continue to be present: to employment, to learning, to having safe places to live, to receiving appropriate care and support, to being able to access the world around them, to having opportunities to contribute and participate, to being highly valued. We believe everyone has the right to a life in which they have opportunities to use their talents, skills and gifts in fruitful ways and participate fully in their community.

Livability - It all adds up

At Livability we want everyone we support to have a full and flourishing life. As a charity we want to help those we support put all the elements in place that 'add up' to having to more livable lives and communities.

What makes life livable is never down to just one thing. It's the sum of many things; from friendship to fun; from companionship to community; from a great chat to a challenge overcome – it all adds up to Livability.

Through the approach that we take, the services we deliver and the values we live by we are passionately committed to connecting people with their community, working for inclusion, promoting wellbeing and creating a life that adds up for all.

Our Christian ethos

Our Christian ethos is our DNA – it's why we were founded 170 years ago and it's why we still exist today. We remain as inspired and challenged as our founders were by the radical message of Jesus Christ. We are committed to using all of our resources to make our society one where every disabled person can find their place and take part. Livability welcomes people from all faiths and none to work together towards the good of the whole community. We partner with people who share our values, particularly with local churches and faith groups as agents of community change.

Our distinctiveness means being radically inclusive and open, enabling community and, being defined by courageous hope.

Livability is delighted that our President is The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury.

Values

Regardless of the demands and pressures we face, our values and ethos always underpin our work.

Open – we are open and real.

We strive to be warm-hearted, straightforward and honest. We take time to listen to each other and to the people and communities we work with, because that is how we learn and grow.

Enabling – we think people are amazing.

Everyone has something to offer if they are just given the chance. So, as well as helping with basic needs, we help people take part and be valued in their communities – because that is what makes life livable. We are ambitious to achieve real change.

Inclusive – we demand fairness.

Far too many people are excluded by unnecessary barriers in our society. We want to live in a much fairer world where we are all valued equally, not just for what we have in common, but for what makes us different too. We all share a responsibility to make that a reality.

Courageous – we are the best we can be.

In work, as in life, we are motivated by our promise to make life better for people and their communities and we hold ourselves accountable for the difference we make.

Objects

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

- assist or educate any person in charitable need and, in particular but without limitation, any disabled person and the parents, guardians and carers of such people by whatever means; and
- provide facilities, support, advice and assistance for Christian congregations, other Christian groupings and community groups seeking to alleviate charitable needs.

These Objects are pursued in each case in a manner which authenticates the Christian Faith and its moral principles in a spirit of love and practical Christian service.

Activities

We are proud to operate:

- 13 domiciliary/supported living services;
- 33 high quality residential care homes, 6 of which offer nursing care;
- 25 locations where we provide specialist support for people to learn new skills, achieve their goals and access their community;
- 8 day services across the country;
- Brain injury and spinal cord injury rehabilitation services that provide rehabilitation in the UK and support for overseas partners in Bangladesh, Nepal, Myanmar and Sri Lanka;

- A specialist Further Education College for young disabled people with registered care provision;
- A Special School for disabled children; and
- Teams that works to raise awareness of disability issues within church audiences, communities and more broadly to raise awareness of issues that are most important to disabled people and making sure that the voices of those we support are heard.

Public benefit

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

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

Structure, governance and management

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

Group structure

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

- Prospects for People with Learning Disabilities, providing adult social care and ministry support in the UK for people with learning disabilities.
- Kingsley Hall Church and Community Centre, providing community services in Becontree, East London.
- East Holton Charity, a nature and wellness centre in Poole, Dorset. The active subsidiary trading companies in the group are:
- Holton Lee Limited, providing accommodation rentals and venue hire on the Holton Lee site in Dorset.
- Livability Icanho Limited, providing acquired brain injury rehabilitation services.
- Livability Contracting Services Limited, providing construction services.

Livability and its subsidiary charities also include the assets, liabilities, funds, income and expenditure of a number of charitable trusts that are linked to the charitable companies in the group through linking directions from the Charity Commission. These charities are set out in note 7 to the accounts.

The board of trustees

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

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

Trustees give their time voluntarily and receive no benefits from Livability but may claim reasonable expenses in connection with their duties as Trustees.

The Board ensures its members provide the experience and skills required to perform its critical role effectively. During the year, a planned overall reduction in the number of Trustees was effected. Preparation for this had been made through considered appointments in the prior year. All new trustees undertake a comprehensive induction process designed to enable them to contribute effectively as soon as possible. There is a programme of training and updates prior to Board meetings and two "away days" in each annual governance cycle to ensure matters of strategic significance are considered in depth.

Business meetings of the Board are held quarterly. Monitoring of the performance of key areas of activity is delegated to sub-committees and local boards of governors, including Trustees and other members, appointed for their particular expertise and knowledge.

The established sub-committees and their remits are:

- Audit – ensure effective systems of internal control and to recommend the annual financial statements for approval;
- Finance and General Purposes – all matters relating to finance, funding and fundraising, asset management, remuneration and information and communication systems; also exercises Livability's role as a Corporate Trustee;
- Nomination, Remuneration & Governance – talent management, reward strategy and policy, annual review of remuneration and benefits and publicly reportable data. Dealing with matters of governance for all committees;
- Safeguarding – all safeguarding incidents relating to the organisation;
- Services – quality, performance and development of all operational care and rehabilitation services, education services, and including community engagement, and people issues and development;
- Education Governance – a Local Improvement Board and a Local Governing Board for each of Livability's education services; and
- In addition, the Board establishes standing and short-term ad hoc advisory groups to inform policy in relation to specific areas of the charity's work and governance.

In June 2018 the Board commissioned a comprehensive independent governance review, the recommendations from which have been incorporated into governance improvement; this includes a new committee structure which will commence in December 2019. Prior to this date the existing governance structure will continue to operate.

Chief executive officer

The CEO is responsible to the Board for the direction of the activities, the performance of Livability in meeting the strategic goals set by the Trustees and compliance with the policies set by the Board. The Executive Leadership Team (ELT) is responsible for strategic oversight and leadership of the charity, it comprises the CEO; the Executive Directors of Operations; Education; Resources; People & Change; and Engagement & Transformation.

Table showing trustee board and subcommittee member attendance at board, subcommittee and advisory group meetings from 1 April 2018 – 31 March 2019

Trustee / Subcommittee Member	Trustee Board		Audit		Finance & General Purposes		Remuneration		Safe-guarding		Services		Board Performance Advisory Group	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Caroline Armitage ^ (Chair: resigned on 25 July 2018)	1	1					1	1						
David Bentley	4	4	3	3							4	4		
Angus Brown	4	4			4	4								
Sally Chivers ~ (Chair: appointed 25 July 2018)	4	4					1	1	4	3	4	3		
Kate Clare ~	4	4							4	4	4	4	2	1
Anne-Marie Costigan	4	3									4	2	2	1
Hannah Foster ^	4	1					1	1						
Keith Hickey	4	3			4	4	1	1						
Brian James	4	4									4	4	2	2
Agnita Oyawale	4	4												
Craig Philbrick	4	2												
John Robinson	4	4	3	3										
Craig Rowland *			3	3										
Nicola Tallett ^ (Resigned on 12 December 2018)	3	1			3	3								
Andrew Wilson	3	3												

Key

- A number of meetings available to attend
- B number of meetings attended
- # Remuneration sub-committee became Nomination, Remuneration & Governance sub-committee in March 2019

- ^ Retired in year
- ~ Post-year end Sally Chivers resigned as a Trustee and Chair and Kate Clare was appointed as Chair
- * Non-Trustee Subcommittee Member

Livability's people agenda

People are key to Livability, they deliver on our vision daily. Livability and its related subsidiaries employ the equivalent of 1,113 full-time staff and have 1,718 staff with employment contracts. In the last financial year we decided to strengthen our people offering by investing in people, systems and processes. This is reflected in our new people strategy which focusses on:

People, systems and processes

We have strengthened our people processes and practices particularly through the use of technology. We provide more detail when talking about Project Enable later on in this report.

Recruitment and retention

Recruitment is challenging in the social care sector. We continue to seek new talented employees to provide excellent service to the people we support. To aid this we have rolled out a new recruitment system that is reducing our time to hire. To support staff engagement we implemented a range of reward initiatives including an achievement scheme, a golden hello scheme and a career pathway scheme.

Wellbeing

The wellbeing of our staff is as important as the wellbeing of the people we support, so we are investing heavily in wellbeing and people initiatives that support people to thrive in their roles. We are also recognised as a Mindful Employer.

Learning and development

We continue to offer comprehensive learning and development for all which is crucial for our continuing provision of high quality services. Disability, equality and diversity awareness training are part of the core programme for all staff and volunteers. Livability's bespoke leadership development programme supported with coaching for our service managers. This enables the best outcomes for those we support and meets the challenges of a complex care environment.

Employment of disabled people

One barrier we want to tackle for disabled people is employment. 3.3% of Livability employees have declared themselves to have a disability, an increase from 2.9% since last year. We want to continue to increase the number of disabled people who work for us. As a Disability Confident Employer (level 2) we commit to making adjustments to meet the needs of disabled job applicants, employees and volunteers. We work with our disabled staff to ensure that they are able to remain in employment. We have more to do to promote employment of disabled people in the charity; we involve disabled employees, volunteers and the people that use our services in making the charity a place that people want to work. We support volunteering opportunities in a number of our services and offices across the organisation. We also provide services to support disabled people back in to the workplace through specialist work skills development and work experience programmes.

Gender pay gap

We aim to attract and retain the skilled employees required to deliver our services and reward people equitably for the role that they carry out. In common with other care sector providers, our staff is predominately female. The proportion of female to male members of staff varies by 4% between the upper and lower pay ranges.

The Livability gender pay gap is well below the national average for both the mean and median rate for all employees. In April 2018, we had a mean difference of 12% between the average hourly pay of women and men across Livability. This is significantly lower than the national average of 17.4% but is an increase on 2017 rate of 10.2%. We are committed to closing the gap.

Senior executive pay

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

Volunteers

Around 170 volunteers contributed to Livability's work in the last year and we are so grateful to them for the vital role they play in Livability's community. Whether through local project support, running Friends Groups to raise money for services, or acting as Trustees for the charity, the commitment and expertise of this group of people is a rich resource for the charity and the people we support. Volunteering is promoted on Livability's website <https://livability.org.uk/teamlivability>. We continue to seek ways for more people to support the users of our services and the work we do.

Fundraising

Our approach

Our approach to fundraising is long-term and supporter-led, building relationships with donors and enabling people to give in a way that works best for them. We work with approved partners, and our payroll giving programme enables supporters to give as they earn through their salary if they choose to. To ensure a good supporter experience we monitor fundraisers acting on our behalf. Our employed fundraisers have regular training and ongoing performance management. We provide guidelines, policies and dedicated support to fundraisers acting for us in communities.

Fundraising standards

Our commitment to high fundraising standards is demonstrated through our individual staff membership of the Institute of Fundraising (IOF) and organisational membership of the Fundraising Regulator who set and maintain the standard for charitable giving. They hold the Code of Fundraising Practice and Fundraising

Promise for the UK. We have also signed up to the Fundraising Preference Service where supporters can manage the communications and fundraising requests they receive from charities. We vigilantly adhere to regulation standards and General Data Protection Regulation (GDPR) both generally and in our fundraising practices.

Our governance also extends to how we protect vulnerable people in the context of fundraising. Our People in Vulnerable Circumstances (PIVC) Policy makes sure that there is not undue pressure to give in the course of, or in connection with, fundraising for Livability. We aim for everyone to have a positive fundraising experience and are pleased to have a low level of fundraising complaints. In 2018-19 we received no official complaints, we are very proud of our outstanding supporter experience and customer service in this field. When complaints arise we follow Livability's complaint procedure. In the event that complaints are escalated to the Fundraising Regulator we will follow their procedure for handling complaints. We continue to strive for excellence and monitor the number of complaints we have against communication touch-points in our key performance indicators. We listen to the views of our supporters through surveys to gauge the feedback on the frequency of our mailings. We ensure supporters can clearly opt-out of receiving communications, and train our fundraisers on the GDPR regulations and on our policies and guidelines.

Strategic Report

As part of driving our organisation forwards, growing our impact and responding to changes in the health and social care sector, we launched a new strategy for 2019 – 2022.

The need for a new strategy – disabled people face barriers to living the life they want to live

We operate at a time when the health and social care sector is under intense pressure. Demand for care is on the up but government funding cannot meet this growing need. We have an exciting opportunity to step into this gap and grow our services. More people need our services and we want to meet this demand.

Livability's strategic intent – Livable Communities

We believe 'Livable Communities' are what it takes to enable everyone to thrive, to live barrier free and to have a life that 'adds up' for them. A livable community means a person, particularly a disabled person, has a place and network of relationships where they feel safe, supported, included and able to participate fully. Research shows that people's health and wellbeing outcomes are stronger when they have supportive relationships and a positive community experience. We help disabled people to take part, contribute and be valued.

The future: 2019 – 2022 strategic aims and objectives

In the year ahead, we will continue to pursue our vision and mission by delivering against our new strategy which was launched in April 2019.

Aim 1 – Wellbeing Focussed

We will provide flexible, adaptive, exceptional services for the people we support as measured by how effectively we enable fulfilling life outcomes, promote positive wellbeing and form meaningful community connections.

We will achieve this by focusing on:

- Embedding ways of working that drive a focus on wellbeing so we can be assured that 90% of the people we support are reporting good or improving wellbeing.
- Defining and measuring our quality according to what people say is important for enabling them to live full and flourishing lives.
- Investing in the wellbeing of our staff and volunteers, developing a motivated, values-led and skilled workforce, committed to continuous improvement and contributing to Livability's cause.

Aim 2 – Meaningful collaboration

We will build mutually beneficial partnerships with those who share our values, particularly with the Christian church, in order to grow our combined impact in making community more livable for disabled people

We will achieve this by focusing on:

- Growing co-production and partnership working with commissioners and other community organisations and providers, in order to provide better opportunities for the people we support.

- Deepening relationships with church network to equip, train, influence, and address barriers.
- Develop relationships with churches in the vicinity of Livability services.

Aim 3 – Going deep

We will develop our services, programmes and relationships with the view that being deeply involved in a locality in multiple ways is better than being too thinly spread across disconnected geographical area.

We will achieve this by focusing on:

- Embedding a quality system that supports the delivery of 100% of services at 'good' and the development of all towards outstanding.
- Implementing evaluation and measurement methods that focus on how the person we support, or other stakeholders experience the service they use.
- Seeking to engage more proactively with commissioners and to pursue new opportunities to strengthen or extend our work.

Aim 4 – Well organised

We will have robust systems and processes in place to be able to work in more agile and responsive ways in a rapidly changing environment.

We will achieve this by focusing on:

- Becoming a digitally enabled charity, made sustainable through an improved commercial and business model.
- We will reform our estate through collaborating with housing partners and targeted capital development and will further reduce our overheads to less than 13%.
- Using our new systems to improve data management and deliver better management information to underpin performance management and improvement.

Going Concern

In the last few years our costs have been greater than our income. Our 2019-2022 organisational strategy recognises this and we are initiating some important changes to turn matters around over the three year period. We are financing the deficit during this period through the sale of non-core assets. Recognising that asset sales do not always happen to plan and change not always as quickly as planned we have put in place a £4m revolving credit facility to help manage our cash flow during this period. As noted in the accounting policies on page 31.

Highlights from 2018-19

In 2018-19 Livability was proud to provide support for 1,164 individuals and families every day of the year through our services across the UK.

Some highlights from last year's delivery are outlined here:

Residential, disability and community services

- We supported 396 people in our care homes.
- We started a pilot phase in service delivery in a new spinal injury centre in Dorset. More detail is provided below.
- 181 people we supported engaged with community activities through Livability's day services.
- We supported 634 people in their home or in the community.

Rehabilitation services

- We opened the first 4 beds at our new spinal injury centre at Livability at Holton Lee in Dorset. The centre supports people who have experienced a spinal injury on their rehabilitation pathway and is an innovative partnership with the Spinal Treatment Centre and Salisbury NHS Foundation Trust. We hope to be opening the remaining beds in the autumn of 2019.
- We provided brain injury rehabilitation services for 91 people at our service Livability Icanho in Suffolk.

Education services

- We provided education and learning opportunities for 156 children and young people through our school and college.
- Victoria Education Centre was deemed an outstanding school by Ofsted during the year under review and this changed to good in 2019.
- Nash College received an inadequate Ofsted rating in 2018. Since receiving this rating Livability has put in a number of measures to improve teaching, learning and outcomes. We appointed Orchard Hill (an outstanding provider) as an Improvement Partner. We have successfully evidenced to our key external partners the completion of over 90% of the Post Ofsted Inspection Plan (PIAP). Significant improvements have been made to the governance structure including lines of accountability and we have integrated a new form of outcome progression data capture within the College to evidence accurate progression towards targets. We have also appointed a substantive Head Teacher from Sept 2019.

Learning and vocation

- Through our UCan project in Dorset we supported disabled and vulnerable people to access employment opportunities. The year saw 220 people start, 47 people engage in training and 42 people enter secured employment (paid or unpaid). 69 participants have either completed or are currently attending therapy or wellbeing services arranged and or funded by the Livability UCan project. Those we work with at UCan are the furthest away for employment and the most economically inactive.

Livability International

Livability's International team provided disability, rehabilitation and community engagement consultancy to a range of spinal cord injury (SCI) and rehabilitation projects internationally.

- We worked in partnership with the Myanmar Ministry of Health and Sports (MoHS) and the World Health Organisation (WHO) to develop the country's first National Rehabilitation Strategic Plan.
- We supported the organisation of the 17th Asian Spinal Cord Network (ASCoN) Conference, bringing together 220 healthcare professionals from 20 countries to share and learn from each other; and facilitated the first ASCoN Training of Trainers course for 20 doctors from the Asia region.
- In partnership with the International Spinal Cord Society (ISCoS) we facilitated workshops on comprehensive SCI management in Morocco, Lusaka and Latin America.
- Continued to develop a module for people with SCI via <https://www.Elearnsoci.org>

The viability and strategic alignment of Livability International was fully considered by the Board post-year end and early in the 2019/20 financial year a decision was made to close this part of Livability.

Quality and practice development

- We carried out a considerable amount of work to develop our quality strategy to ensure that we are meeting regulatory requirements.
- We developed an offer to work with another provider to support them with their quality audits.
- A quality improvement suite of tools has been developed and deployed to enable managers to evidence compliance with regulatory standards working collaboratively with Quality Improvement partners and Regional Managers. The working relationship with Regional and Service Managers strengthened further during the year and supports service development and improvement.
- Combined reporting on service delivery strengthened during the year and is taking place monthly. This is increasingly improving the effective allocation of resources and planned actions to support and improve quality. Alongside this we developed an Operational and Quality Key Performance Indicators (KPI) framework which we use monthly to assess how our services are performing.
- We continued to keep the voice of those we support at the heart of what we do. We invested in a National Annual Survey which ensures there is a rich stream of feedback, from the people we support, captured and communicated through service visits and focus groups throughout the year.

Church partnerships and community engagement

- Our key focus during the year was the launch of *More than Welcome* – Livability's training model to help churches to build inclusion with disabled people. The guide was launched at Lambeth Palace, where we sponsored a Disability Conference with the support of the Archbishop of Canterbury. The training was subsequently rolled out to churches across the UK.
- We held a conference to draw together our national volunteers delivering specialist support groups to explore new approaches to offering support, offering theological reflection and opportunities to host *More than Welcome* training.

- *Together for Good*, a resource to help churches explore wellbeing and happiness was launched as a follow-up to the popular *Lifting the Lid* resource.
- A new resource designed to support those living with dementia was launched *My Faith Matters*. The guide offered a way for the church community and other professionals to ensure they could continue to live out their faith.

Fundraising

We are very grateful to all those who feel inspired to make a difference in people's lives and choose to support our work. Through the generous donations, time and prayers of our supporters which bring our vision to life, connecting disabled people with their communities to fully participate and flourish. Some of our fundraising highlights include:

- The launch of the pilot phase of our *Brightening Lives* appeal which giving the people we support greater autonomy and independence through resident-led activities, and home improvements to make them more functional and attractive. The first year was a huge success raising over £110,000 to support people living at Livability Ashley Place, Livability Brookside House and Livability John Grooms Court.
- Livability's dedicated and loyal supporters who continued to give generously. We have 5,522 active regular givers and 3,092 people responded to our fundraising appeals with one-off cash gifts.
- 157 people joined Team Livability for the London Marathon raising over £266,643 for the charity, seven times more runners, and six times more fundraised income compared to 2017.
- The September 2018 Appeal featured Maesbury Metals, Livability's social enterprise service in Shropshire. Within this appeal we put our beneficiaries at the forefront of the conversation, giving over 9,000 supporters a chance to "meet our makers". Our supporters were delighted with the appeal and generously donated £29,000.
- Livability's ten volunteer-led Friends Groups who continue to raise funds to benefit their local Livability services.
- Our community fundraising income increased year-on-year as we continue to galvanise local companies, Rotary clubs, community groups and schools. One example, the innovative Flourish Flock Art Project raised £3,500 for Livability Holton Lee and involved over 100 community groups, individuals and people we support in the decoration of birds leading to an online auction.
- *Give an Hour*, Livability's new giving campaign, enabling our staff and supporters to donate to Livability through their payroll.
- We are thankful for the support of corporate partners including Pen Underwriting, who chose Livability as their charity of the year and are on course to raising £6,000, and Viridor Credits who kindly donated £8,500 to develop a Woodland Hide at Livability Holton Lee – a therapeutic environment which is disability and dementia friendly.
- This year residents of Livability John Grooms Court benefited from the purchase of a wheelchair accessible minibus, funded by an incredibly generous legacy from the estate of the late Mr Roper. It has enabled residents to connect more easily with their community.
- Benefactors who support our work at the end of their lives through legacies continue to give generously. This year we took part in our first Remember a Charity campaign to reach more people who are considering leaving a charitable gift in their will. This year saw a new audience reach of over 1 million people for Livability through this campaign.

Financial Review

Overview

The overall financial position of Livability has weakened with total funds decreasing from £47.5m (2018) to £42.5m (2019).

Income for the year was £47.4m an increase of £1.2m over 2018 (£46.2m) levels. This was driven by four factors: residential and care income increasing by £4.2m during 2019, educational revenue decreasing by £1.7m, income from other trading activities decreasing by £1.5m and income from donations and legacies increasing by £0.3m.

Total expenditure of £51.9m increased by £3.8m (2018: £48.1m). This increase was driven by a few key factors: an increase in finance related support costs of £0.7m mainly as a result of refinancing banking facilities and costs relating to business transformation and net charitable activities of £3.1m.

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

However, we believe we remain well positioned to respond to these current and future challenges. The adequate level of reserves has enabled the charity to invest in organisational improvements, notably new business systems and operate in a considered manner. We implemented a comprehensive transformation plan, Project Enable, which included new business systems and processes, that means during the financial year under review, and going forward, there have been and will be various initiatives to improve overall financial performance:

- Increasing operating contribution – apart from maintaining a tight rein on staffing and agency costs, pricing and costing mechanisms will be refined to maintain suitable levels of fees/revenue and there will be a greater focus on more quickly filling voids in care services.
- Increasing net fundraising revenue – the ongoing implementation of the fundraising strategy helped drive an increase of net fundraising from £3.5m (2018) to £3.7m in the 2019 financial year.
- Reduce central support costs – as noted above Project Enable was implemented which will underpin central support cost reductions and improved internal efficiencies in future years.
- Rationalising portfolio – a continuation of an active programme of assessing Livability's property portfolio and disposing of assets no longer fulfilling a useful part of the portfolio.

Income and expenditure account

Overall income from charitable activities increased by £2.5m or 6% during the financial year.

The deficit on charitable activities of £5.6m (£42.2m income less £47.8m expenditure) is broadly the same as the previous financial year (2018: £5.9m) and reflects transformation efforts not yet bearing fruit.

Residential and Community Services performed well during the year and achieved increased income levels of £30.3m (2018: £26.1m) for the financial year. In line with our expectations, educational income decreased significantly by 13% to £11.8m (2018: £13.5m).

In considering our Education services, student numbers have increased slightly at VEC with 91 students (2018: 90) and decreased to 65 (2018: 68) at Nash College. There was also an ongoing reduction in the residential provision at Nash College. Student numbers for the VEC Horizons service for post-19 students decreased to 11 students during the year.

The level of agency use and vacancy rate is a significant factor in the cost base of the charity. Like many providers in the care sector we experience difficulties in the recruitment and retention of staff with East Anglia and the South East of England being areas of pressure.

There was no inflationary pay award in 2018 and with wage inflation rising nationally and pressures on recruitment during 2019 we implemented the statutory 2018-19 National Living Wage increases (and concomitant pay differential) and outside of that a 1% cost of living increase.

There was a stalling of efficiency gains as business transformation efforts were invested in and the ratio of costs of charitable activities to revenue for the financial year remained similar to the prior year. We recognise that there is still a lot to do to improve operational profitability.

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

Fundraising summary

In this financial year Livability's supporters have continued to give generously. Our overall income from donations and legacies increased slightly from 2018 income to £5.1m, whilst the cost of raising funds remained stable at £1.4m (2018: £1.4m) resulting in a net fundraising contribution of £3.7m for the year (2018: £3.5m).

Central support costs

Support costs as a percentage of income increased by 1.1% to 15.0% (2018:13.9%). The increased support costs of £0.7m largely reflect the transaction costs relating to the Metro Bank refinancing and investment in the business transformation efforts taking place. The Trustees and Executive Leadership Team are committed to significantly reducing central support costs in the coming financial year 2019-20.

Following the Prospects merger a few years ago, we initiated a process of integrating the two head offices into Livability's national office in North Greenwich with minimal increases in the main back office functions. This process of integrating took some time to embed, with the full year benefit to be realised in the 2019-20 financial year.

Balance sheet

Tangible fixed assets at £40.9m (2018: £41.1m) have remained stable. One property which was no longer fulfilling an operational purpose was disposed during 2018-19, with disposal proceeds attributable to Livability of £0.44m and a loss on disposal of £0.18m. During the year, social investments decreased to £8.5m due to a £1.7m impairment of a property where the redevelopment value previously used was no longer valid and financial investments decreased to £2.5m due to a £0.99m revaluation of investments. Trade debtors decreased by £0.47m to £2.3m and pre-payments and accrued income and other debtors stayed broadly similar.

Cash flow and working capital

Cash balances at the year-end decreased from £6.1m at 31 March 2018 to £3.8m at 31 March 2019. A significant reason for the reduction in the cash balance is deficit from operating activities experienced in the year. There was also a lower level of proceeds (£0.4m) generated from the disposal of non-core assets during the year, this contrasts to the prior year proceeds of £4.4m. With operating activities requiring net cash at this stage in Livability's transformation journey, cash reserves and balances alongside some additional borrowing were used to fund working capital requirements.

Reserves policy

At the year ended 31 March 2019 Livability held a total of £42.5m in reserves (2018: £47.5m). These reserves are split between:

- Permanent endowment funds that represent assets that must be retained for the use in the charity or to generate investment income have a value of £6.7m (2018: £7.6m).
- Restricted funds that are held for specific purposes which have a value of £5.7m (2018: £7.0m).
- Designated funds, being a maintenance and revaluation designated funds related to property assets, at £18.9m (2018: £36.5m). The designation of funds were changed during the year under review.
- Negative Pensions Fund £4.7m (2018: £6.5m)
- General Fund £16m (2018: £2.9m)

Of these total reserves £30.2m (2018: £32.9m) are unrestricted.

There is a six-and-a-half-year deficit reduction plan for the pension deficit of £4.7m. Contributions to the deficit schemes for 2018-19 were £1.8m.

The Trustees have considered and set a reserves policy which takes account of, the need to maintain functional properties that underpin significant revenue streams, current analysis of risk, day-to-day operational expenditure, the volatility of voluntary income and the maintenance of adequate levels of working capital. Specifically the trustees have adopted a reserves policy during the year that:

- Requires the creation of two designated funds, a maintenance reserve and a revaluation reserve. The maintenance reserve represents the planned and cyclical maintenance costs for functional properties for the next five years. The appropriate level of maintenance reserve has been determined by considering multi-year maintenance plans, which are based on property-by-property condition surveys. Annual planned and cyclical maintenance costs for functional properties will be charged to the fund with 'day-to-day' maintenance costs still charged to the relevant operational area.

Alongside that, a revaluation fund which represents the difference between depreciated historical cost and carrying value of the charity's property and investment assets resulting from revaluation has been maintained as a designated fund.

- Requires that unrestricted funds equivalent to a range of 8 to 12 weeks of total organisational expenditure are held.

In considering our reserves policy, we note that our unrestricted general reserves at the end of the year were £16m. This represents 17 weeks of total unrestricted organisational expenditure, which is above the range determined by our reserves policy, however given our low level of free reserves we feel it adequate to carry a higher level of cover than the policy requires.

We have also considered our free reserves. We have calculated our free reserves using the broad guidelines set out by the Charity Commission. Effectively we have taken our Group net assets and, as we are an organisation that actively uses properties, we have deducted fixed assets that are not endowed or restricted or subject to sale in future years. This provides us with free reserves of £2.3m at the end of the financial year, which is a decrease from £3.84m in 2018. As noted elsewhere in the report there are various steps that have been and will be taken to improve the underlying financial performance of the organisation, during the financial year under review, and going forward.

Free reserve calculation

£'000	31/03/2018	31/03/2019
Group net assets	47,492	42,540
Less: Restricted funds	(6,994)	(5,657)
Less: Endowed funds	(7,588)	(6,712)
Less: Fixed assets (asset reliant org)	(41,093)	(40,907)
Add back: Pension Liability 'reserve'	6,500	4,748
Subtotal	(1,683)	(5,988)
Add back: Tangible fixed assets in Restricted/endowed reserves	5,252	5,068
Add back: Functional fixed assets to be sold in following years	272	3,251
Free reserves	3,841	2,331

Investment policy

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

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

The charity uses the services of Royal London Cash Management to invest its surplus funds, at an annual fee of 0.10%. A decision is taken on a case-by-case basis as to whether to retain or dispose of any donated investments.

Principal risks and uncertainties

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

Our risks fall into 5 major categories.

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

Our reputation is critical to maintaining our status as a trusted provider and this risk is managed through a robust set of performance indicators and allied to assurance controls in safeguarding, financial and operational delegations, fraud

prevention and detection controls, and the wider policies and procedures upheld through the Internal Quality and Practice Development Team.

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

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

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

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

4. Cash availability – the low operating margins alongside significant funding requirements such as recovery payments for the closed pension schemes means that cash availability is an ongoing risk that has recently impacted on supplier payments.

This risk is tightly monitored and a key step in the management of this risk was the recent move to revolve credit facilities and refinance the Barclays term loan with more flexible bank, Metro Bank.

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

There are known workforce shortages affecting the wider health, education and social care sectors. Further to this our sickness/absence rate is high and agency spend can be high to cover staff shortages. Livability is committed to becoming recognised as an Employer of Choice to attract and retain the workforce needed to sustain high standards across the service portfolio. Livability have also set a strategic goal to lower the sickness absence rate and are launching initiatives this year to foster staff engagement, wellbeing and people support and development.

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

Statement of trustees' responsibilities for the financial statements

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

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

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

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

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

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

Disclosure of information to auditor

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

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

The report of the Board was approved by the Board on 14 November 2019 and signed on 14 November 2019 its behalf by



Kate Clare
Chair

Independent auditor's report to the members of Livability

Opinion

We have audited the financial statements of Livability ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the statement of financial activities the consolidated balance sheet, the balance sheet, the consolidated statement of cash flows, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: A message from Livability's Chair of Trustees and CEO, A message from

HRH The Princess Royal, The Trustees' Report, the Strategic Report and the Financial Review. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

Julia Poulter (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor London

Date: 4th December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Livability Group Consolidated Statement of Financial Activities

	Group				Group				
	Year ended 31 March 2019				Year ended 31 March 2018				
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	
Note	£000	£000	£000	£000	£000	£000	£000	£000	
Income from:									
Donations and legacies	2	4,355	787	–	5,142	4,276	615	–	4,891
Charitable activities	2	41,168	1,011	–	42,179	38,239	1,447	–	39,686
Other trading activities	2	24	21	–	45	1,538	7	–	1,545
Investments	3	45	34	–	79	37	14	7	58
Total income		45,592	1,853	–	47,445	44,090	2,083	7	46,180
Expenditure on:									
Raising funds	5	1,384	33	–	1,417	1,433	5	–	1,438
Charitable activities	5	46,398	1,251	134	47,783	44,254	1,284	29	45,567
Other	5	831	–	1,688	2,519	993	–	–	993
Loss on disposal of fixed assets	4	175	–	–	175	60	–	–	60
Total expenditure		48,788	1,284	1,822	51,894	46,740	1,289	29	48,058
Net gains on revaluation of investments	3, 9	(991)	–	–	(991)	62	(1)	5	66
Net income / (expenditure)		(4,187)	569	(1,822)	(5,440)	(2,588)	793	(17)	(1,812)
Transfer between funds	14	960	(1,906)	946	–	811	(811)	–	–
Other recognised gains / (losses)									
Actuarial gains / (losses) on defined benefit pension schemes	13	488	–	–	488	2,748	–	–	2,748
Net movement in funds		(2,739)	(1,337)	(876)	(4,952)	971	(18)	(17)	936
Reconciliation of funds									
Total funds brought forward	14	32,910	6,994	7,588	47,492	31,939	7,012	7,605	46,556
Total funds carried forward		30,171	5,657	6,712	42,540	32,910	6,994	7,588	47,492

All the results in the Statement of Financial Activities ("SOFA") derive from continuing operations. There were no other recognised gains and losses other than those reported in the SOFA. The notes on pages 31 to 68 form part of these financial statements.

Livability Charity Statement of Financial Activities

	Charity				Charity				
	Year ended 31 March 2019				Year ended 31 March 2018				
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	
Note	£000	£000	£000	£000	£000	£000	£000	£000	
Income from:									
Donations and legacies	2	4,355	709	–	5,064	4,276	542	–	4,818
Charitable activities	2	40,296	73	–	40,369	37,586	5	–	37,591
Other trading activities	2	–	–	–	–	1,507	–	–	1,507
Investments	3	45	–	–	45	37	–	6	43
Income from gift of a charity	2	–	–	–	–	167	–	–	167
Total income		44,696	782	–	45,478	43,573	547	6	44,126
Expenditure on:									
Raising funds	5	1,383	18	–	1,401	1,433	–	–	1,433
Charitable activities	5	45,556	98	134	45,788	44,109	158	29	44,296
Other	5	776	–	1,688	2,464	839	–	–	839
Loss on disposal of fixed assets	4	175	–	–	175	60	–	–	60
Total expenditure		47,890	116	1,822	49,828	46,441	158	29	46,628
Net gains / (losses) on investments	3, 9	(993)	–	–	(993)	62	–	5	67
Net income / (expenditure)		(4,187)	666	(1,822)	(5,343)	(2,806)	389	(18)	(2,435)
Transfer between funds	14	960	(1,167)	207	–	811	(811)	–	–
Other recognised gains / (losses)									
Actuarial gains / (losses) on defined benefit pension schemes	13	488	–	–	488	2,748	–	–	2,748
Net movement in funds		(2,739)	(501)	(1,615)	(4,855)	753	(422)	(18)	313
Reconciliation of funds									
Total funds brought forward	14	32,925	4,305	7,548	44,778	32,172	4,727	7,566	44,465
Total funds carried forward		30,186	3,804	5,933	39,923	32,925	4,305	7,548	44,778

All the results in the Statement of Financial Activities ("SOFA") derive from continuing operations. There were no other recognised gains and losses other than those reported in the SOFA. The notes on pages 31 to 68 form part of these financial statements.

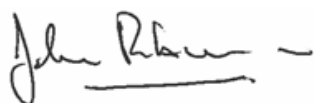
Livability Group and Charity Balance Sheets

	Note	Group		Charity	
		2019 £000	2018 £000	2019 £000	2018 £000
At 31 March 2019					
Fixed assets:					
Tangible assets	8	40,907	41,093	38,101	38,496
Financial investments	9	2,553	3,534	2,538	3,521
Social investments	10	8,462	10,150	8,462	10,150
Total fixed assets		51,922	54,777	49,101	52,167
Current assets:					
Debtors and stocks	11	4,720	5,666	4,659	5,670
Cash at bank and in hand		3,804	6,135	3,199	5,783
Total current assets		8,524	11,801	7,858	11,453
Liabilities:					
Creditors: amounts falling due within one year	12	(6,058)	(8,114)	(5,988)	(7,870)
Net current assets		2,466	3,687	1,870	3,583
Total assets less current liabilities		54,388	58,464	50,971	55,750
Creditors: amounts falling due after more than one year	12	(7,100)	(4,472)	(6,300)	(4,472)
Net assets excluding pension liability		47,288	53,992	44,671	51,278
Defined benefit pension liability	13	(4,748)	(6,500)	(4,748)	(6,500)
Total net assets		42,540	47,492	39,923	44,778
The funds of the charity:					
Permanent endowment funds	14	6,712	7,588	5,933	7,548
Restricted funds	14	5,657	6,994	3,804	4,305
Unrestricted funds	14	34,919	39,410	34,934	39,425
Pension reserve	14	(4,748)	(6,500)	(4,748)	(6,500)
Total funds		42,540	47,492	39,923	44,778

The report of the Board was approved by the Board on 14 November 2019 and signed on 14 November 2019 its behalf by



Kate Clare
Chair



John Robinson CBE
Chair

The notes on pages 31 to 68 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2019

		Group		Charity	
	Note	2019	2018	2019	2018
		£000	£000	£000	£000
Cash flows from operating activities					
<i>Net cash provided by / (used in) by operating activities</i>	C1	(2,485)	(2,847)	(2,165)	(5,038)
Cash flows from investing activities					
Dividends, interest and rent from investments		79	58	45	43
Proceeds from the sale of property, plant and equipment		435	1,213	435	1,213
Purchase of property, plant and equipment		(1,634)	(2,191)	(1,373)	(549)
Proceeds from sale of investments		–	3,155	–	2,516
Purchase of investments		(10)	(9)	(10)	(9)
Net cash provided by / (used in) investing activities		(1,130)	2,226	(903)	3,214
Cash flows from financing activities					
Interest on financing activities		(191)	(224)	(191)	(224)
Repayments of borrowings		(5,625)	(5,322)	(5,625)	(4,044)
Cash inflows from new borrowing		7,100	6,000	6,300	6,000
Net cash provided by / (used in) financing activities		1,284	454	484	1,732
Change in cash and cash equivalents in the period		(2,331)	(167)	(2,584)	(92)
Cash and cash equivalents at the start of the period		6,135	6,302	5,783	5,876
Cash and cash equivalents at the end of the period		3,804	6,135	3,199	5,784

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

Notes to the Statement of Cash Flows

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
C1. Reconciliation of net income / (expenditure) to net cash flow from operations				
Net income / (expenditure) for the year as stated in the Statement of Financial Activities	(5,440)	(1,812)	(5,343)	(2,435)
<i>Adjustments for:</i>				
Depreciation charges	1,210	980	1,157	944
Impairment of social investment	1,688	–	1,688	–
(Gains) / losses on investments	991	(66)	993	(67)
Dividends, interest and rent from investments	(79)	(58)	(45)	(43)
Interest on financing activities	191	224	191	224
Income from the gift of a charity	–	–	–	(2,758)
(Gains) / losses on the disposal of fixed assets	175	60	175	60
(Increase) / decrease in debtors	946	(1,747)	1,011	(137)
Increase / (decrease) in creditors	(904)	927	(729)	529
Increase / (decrease) in non cash movements in pension scheme	(1,263)	(1,355)	(1,263)	(1,355)
Net cash flow provided by / (used in) operations	(2,485)	(2,847)	(2,165)	(5,038)
C2. Reconciliation of net cash flow to movement in net funds				
	At 31 March 2018 £000	Cash flow £000	Non-cash movement £000	At 31 March 2019 £000
Cash at bank and in hand	6,135	(2,331)	–	3,804
Short-term deposits	–	–	–	–
Cash as defined by	6,135	(2,331)	–	3,804
Cash investments	–	–	–	–
Cash disclosed in the balance sheet	6,135	(2,331)	–	3,804
Bank loans	(5,625)	(1,475)	–	(7,100)
Net funds	510	(3,806)	–	(3,296)

Note 1 accounting policies

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

A. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards, under the historical cost convention, as modified by the inclusion of investments at market value. They have also been prepared in accordance with Reporting for Charities: Statement of Recommended Practice (SORP 2015) and in accordance with the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS102), effective 1 January 2015 and the Companies Act 2006 as applied to charitable companies.

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

Since the year end the financial position of the group and charity has deteriorated. A financial recovery plan to 31 March 2022 has been put in place aimed at strengthening the charity's financial position and delivering net income. The plan involves key initiatives including cutting charitable expenditure and central costs in addition to delivering on a programme of agreed sales of non-core assets.

Recognising that asset sales and projected receipts do not always happen to plan and that positive cashflow from restructuring areas of the charity may not flow as projected, we have put in place a £4m revolving credit facility to support the group and charity to help manage our cashflow during the financial recovery plan period. Notwithstanding, there continues to be a day to day monitoring of the group's working capital position; progress of the financial recovery plan and cashflow forecasts are reviewed on a monthly basis by the trustees.

Taking into consideration the financial recovery plan and its associated risks, the group's cashflow forecast along with the revolving credit facility that is in place, the trustees consider that it is appropriate for the financial statements to be prepared using a going concern basis.

B. Funds

Unrestricted funds

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

Designated funds

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

Note 1 Accounting Policies (cont'd)

General Fund

The charity's General Fund is the balance of unrestricted funds after setting aside the designated funds identified above.

Restricted funds

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

Permanent endowment funds

Restricted endowment funds represent assets that are intended by their donor to be retained and used by the charity to pursue its objects either by its use or by generating income.

Transfers between funds

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

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

C. Income

Donations, legacies and grants

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

Legacies are recognised following the principles of income recognition used for other donated income. Entitlement is taken to be confirmed by grant of probate over the estate of the donor; probability of receipt is judged on a combination of the granting of probate and knowledge of the valuation of the net estate; the amount to be received is assessed based on probate and the valuation of the estate. Where a life interest in an estate exists, no income is recognised other than from distributions from that estate to Livability. The value of legacies where a life interest exists is shown in note 16.

Income from charitable activities

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

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

Note 1 Accounting Policies (cont'd)

D. Expenditure

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

E. Fundraising Costs

Fundraising costs comprise salary costs and other associated expenditure relating to the generation of voluntary income.

F. Tangible fixed assets

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

Recognition

A tangible fixed asset is recorded in the accounts at cost including irrecoverable VAT when the cost of the asset can be measured reliably and it will be of benefit in delivering charitable objectives. As a result of adopting FRS102 and SORP 2015 the charity has taken the transitional provision to take the value of properties at the date of transition, 1 April 2014 and treat it as the deemed cost of the assets.

Assets are capitalised when the cost exceeds £5,000.

Separate components

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

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

Note 1 Accounting policies (cont'd)

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

Other Fixed Assets

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

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

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

G. Financial investments

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

Listed and other financial investments

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

Property investments

Property investments are recorded at their fair value at the date of the accounts.

Investments in group entities

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

Gains and losses

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

H. Social investments

Programme-related investments

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

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

Note 1 Accounting policies (cont'd)

I. Financial instruments

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

Basic Financial Instruments

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

Trade debtors and other amounts receivable

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

Trade creditors and other amounts payable

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

Bank loans

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

Other Financial Instruments

The accounting policies for other financial instruments are as follows:

Derivative financial assets and liabilities

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

J. Entity combinations

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

Note 1 Accounting policies (cont'd)

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

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

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

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

K. Impairment of assets

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

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

L. Leases

Operating leases

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

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

Note 1 Accounting Policies (cont'd)

M. Short-term employee benefits

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

N. Redundancy and termination payments

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

O. Pensions

Defined contribution pension schemes

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

Defined benefit pension schemes – single employer schemes

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

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

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

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

Defined benefit pension schemes – multi-employer schemes

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

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

Note 1 Accounting policies (cont'd)

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

P. Cash flows

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

Q. Properties held for Sale

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

R. Taxation Status

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

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

S. Judgements and uncertainties

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

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

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

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

Note 2 Analysis of income

Group	Year ended 31 March 2019				Year ended 31 March 2018			
	Unres- tricted Funds	Rest- riected Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- riected Funds	Endow- ment Funds	Total Funds
Analysis of income	£000	£000	£000	£000	£000	£000	£000	£000
Donations and legacies								
Donations	1,398	740	–	2,138	2,134	256	–	2,390
Income from charitable events	77	14	–	91	49	5	–	54
Legacies	2,880	33	–	2,913	2,093	354	–	2,447
Total donations and legacies	4,355	787	–	5,142	4,276	615	–	4,891
Charitable activities								
Residential and community care services	29,311	1,011	–	30,322	26,125	23	–	26,148
Education and care services	11,810	–	–	11,810	12,102	1,424	–	13,526
Community Engagement	46	–	–	46	12	–	–	12
Trusts	1	–	–	1	–	–	–	–
Total charitable activities	41,168	1,011	–	42,179	38,239	1,447	–	39,686
Other trading activities	24	21	–	45	1,538	7	–	1,545
Investment income	45	34	–	79	37	14	7	58
Income from gift of a charity	–	–	–	–	–	–	–	–
Total income	45,592	1,853	–	47,445	44,090	2,083	7	46,180

Note 2 Analysis of income (cont'd)

Charity	Year ended 31 March 2019				Year ended 31 March 2018			
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000	£000
						Restated		
Donations and legacies								
Donations	1,398	662	–	2,060	2,134	183	–	2,317
Income from charitable events	77	14	–	91	49	5	–	54
Legacies	2,880	33	–	2,913	2,093	354	–	2,447
Total donations and legacies	4,355	709	–	5,064	4,276	542	–	4,818
Charitable activities								
Residential and community care services	28,439	73	–	28,512	25,472	5	–	25,477
Education and care services	11,810	–	–	11,810	12,102	–	–	12,102
Community Engagement	46	–	–	46	12	–	–	12
Trusts	1	–	–	1	–	–	–	–
Total charitable activities	40,296	73	–	40,369	37,586	5	–	37,591
Other trading activities	–	–	–	–	1,507	–	–	1,507
Investment income	45	–	–	45	37	–	6	43
Income from gift of a charity	–	–	–	–	167	–	–	167
Total income	44,696	782	–	45,478	43,573	547	6	44,126

Note 3 Income from investments

Group	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds
	2019	2019	2019	2019	2018	2018	2018	2018
	£000	£000	£000	£000	£000	£000	£000	£000
Analysis of income from investments								
Property rental	33	33	–	66	29	14	–	43
Bank interest receivable	2	1	–	3	4	–	–	4
Dividends from investments	10	–	–	10	4	–	7	11
Total income from investments	45	34	–	79	37	14	7	58
Analysis of gains from investment valuations								
Listed investments	(41)	–	–	(41)	62	(1)	5	66
Investment property	(950)	–	–	(950)	–	–	–	–
Social investments	–	–	–	–	–	–	–	–
Total gains from investment valuations	(991)	–	–	(991)	62	(1)	5	66

Note 4 Losses on disposal of fixed assets

Gains on asset disposals	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Disposal proceeds net of costs	435	4,285	435	3,645
Net book value of disposed assets	(610)	(4,345)	(610)	(3,705)
Losses on disposal	(175)	(60)	(175)	(60)

Note 5 Expenditure analysis

Group	Year ended 31 March 2019				Year ended 31 March 2018			
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds Restated	Endow- ment Funds	Total Funds
Analysis of expenditure	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds								
Internal fundraising costs	956	15	–	971	991	5	–	996
Bought in services	231	18	–	249	275	–	–	275
Support costs	197	–	–	197	167	–	–	167
Total raising funds	1,384	33	–	1,417	1,433	5	–	1,438
Costs of charitable activities								
Residential and community care services	33,646	480	1	34,127	31,484	677	–	32,161
Education and care services	12,173	771	–	12,944	12,022	607	–	12,629
Community Engagement	641	–	–	641	745	–	–	745
Trusts	(62)	–	133	71	3	–	29	32
Total charitable activities	46,398	1,251	134	47,783	44,254	1,284	29	45,567
Other	831	–	–	831	993	–	–	993
Impairment of social Investment	–	–	1,688	1,688	–	–	–	–
Loss on disposals of fixed assets	175	–	–	175	60	–	–	60
Total expenditure	48,788	1,284	1,822	51,894	46,740	1,289	29	48,058

Note 5 Expenditure analysis (cont'd)

Charity	Year ended 31 March 2019				Year ended 31 March 2018			
	Unres- tricted Funds	Rest- ricted Funds	Endow- ment Funds	Total Funds	Unres- tricted Funds	Rest- ricted Funds Restated	Endow- ment Funds	Total Funds
Analysis of expenditure	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds								
Internal fundraising costs	955	–	–	955	991	–	–	991
Bought in services	231	18	–	249	275	–	–	275
Support costs	197	–	–	197	167	–	–	167
Total raising funds	1,383	18	–	1,401	1,433	–	–	1,433
Costs of charitable activities								
Residential and community care services	32,806	56	1	32,863	31,339	67	–	31,406
Education and care services	12,171	42	–	12,213	12,022	91	–	12,113
Community Engagement	641	–	–	641	745	–	–	745
Trusts	(62)	–	133	71	3	–	29	32
Total charitable activities	45,556	98	134	45,788	44,109	158	29	44,296
Other	776	–	–	776	839	–	–	839
Impairment of social Investment	–	–	1,688	1,688	–	–	–	–
Loss on disposals of fixed assets	175	–	–	175	60	–	–	60
Total expenditure	47,890	116	1,822	49,828	46,441	158	29	46,628

Note 5 Expenditure analysis (cont'd)

Allocation of support costs

	Raising funds	Residential and community care services	Education services	Community Engagement	Total
	£000	£000	£000	£000	£000
Senior Management	29	658	243	14	944
Human Resources	14	497	208	6	725
Finance	75	1,736	642	38	2,491
Information Technology	19	655	275	8	957
Corporate Services	47	1,096	406	24	1,573
Marketing & Communications	13	307	114	7	441
Total	197	4,949	1,888	97	7,131
2018 Total	167	4,392	1,766	95	6,420

GROUP ONLY

Analysis of direct and support costs	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	2019	2019	2019	2018	2018	2018
Raising funds						
Internal fundraising costs	971	197	1,168	996	167	1,163
Bought in services	249	–	249	275	–	275
Support costs	–	–	–	–	–	–
Total raising funds	1,220	197	1,417	1,271	167	1,438

Costs of charitable activities

Residential and community care services	29,179	4,948	34,127	27,769	4,392	32,161
Education and care services	11,056	1,888	12,944	10,863	1,766	12,629
Community engagement	543	98	641	650	95	745
Trusts	71	–	71	32	–	32
Total	40,849	6,934	47,783	39,314	6,253	45,567
Other	831	–	831	993	–	993
Impairment of social Investment	1,688	–	1,688	–	–	–
Loss on disposals of fixed assets	175	–	175	60	–	60
Total expenditure	44,763	7,131	51,894	41,638	6,420	48,058

Note 5 Expenditure analysis (cont'd)

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

	Group	
	2019	2018
	£000	£000
Depreciation	1,210	980
Audit current year	48	48
Other services	3	11
Other Group Auditors	–	66
Interest payable	191	224
Operating lease charges:		
Land and buildings	897	730
Other equipment	39	87

Note 6 Staff and staffing costs

	Group 2019		Group 2018	
	Number	FTE	Number	FTE
Education services	471	303	614	315
Residential and community services	1,151	723	1,263	725
Community engagement	11	9	14	10
Generating funds	23	21	15	13
Support functions	62	57	67	61
Total	1,718	1,113	1,973	1,124

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Analysis of staff costs				
Wages and salaries	28,844	28,528	28,074	27,713
Social security costs	2,310	2,187	2,251	2,117
Employer contributions to defined contribution pension schemes	888	898	876	890
Operating costs of defined benefit pension schemes	812	506	812	506
Redundancy and termination payments	152	129	151	129
Agency staff	4,992	4,062	4,992	4,060
Total staff costs	37,998	36,310	37,156	35,415

For the group, redundancy payments were £147,000 (2018: £109,000) and the termination payments were £ 5,000 (2018: £20,000)

Higher paid staff - Group

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

	2019	2018
	£000	£000
£60,000 – £69,999	5	6
£70,000 – £79,999	3	5
£90,000 – £99,999	1	2
£120,000 – £129,999	1	1
£130,000 – £139,999	1	0

Note 6 Staff and staffing costs (cont'd)

Remuneration of key management personnel

	2019	2018
	£000	£000

The remuneration of key management personnel was:

Wages and salaries	467	521
Contributions to defined contribution pension schemes	26	64
Termination payments	5	0
Employers national insurance	51	60
Total	549	645

Note 7 Subsidiary Undertakings

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

Note 7 Subsidiary Undertakings (cont'd)

	Turnover or income	Operating profit or net incoming/ (outgoing) resources	Transfer to the Charity	Aggregate assets	Aggregate liabilities	Net assets
	£000	£000	£000	£000	£000	£000
John Grooms	–	–	–	–	–	–
The Shaftesbury Society	–	(1)	–	38	–	38
Livability Icanho Limited	839	118	–	2	–	2
Kingsley Hall Church and Community Centre	647	(97)	–	3,475	1,021	2,454
Livability Contracting Services Limited	315	2	–	2	2	–
East Holton Charity	–	–	–	–	–	–
Holton Lee Limited	58	33	–	74	74	–
Prospects For People With Learning Disabilities	424	–	–	10	10	–
Prospect Trading Limited	–	–	–	8	–	8
At Home in the Community	–	–	–	–	–	–
A Cause for Concern	–	–	–	–	–	–
Grooms Shaftesbury Limited	–	–	–	2	–	2
Shaftesbury Care Limited	–	–	–	2	–	2
	2,283	55	–	3,613	1,107	2,506

Note 8 Tangible fixed assets

Group	Functional freehold property £000	Assets under construction £000	Functional leasehold property £000	Other fixed assets £000	Total £000
Cost					
At 1 April 2018	38,360	1,639	1,685	7,422	49,106
Additions	92	1,265	–	278	1,635
Disposals	(632)	–	–	(35)	(667)
Transfer	1,989	(1,989)	–	–	–
At 31 March 2019	39,809	915	1,685	7,665	50,074
Depreciation					
At 1 April 2018	1,645	–	247	6,121	8,013
Charged in the year	529	–	22	659	1,210
Released on disposal	(21)	–	–	(35)	(56)
At 31 March 2019	2,153	–	269	6,745	9,167
Net book value					
At 31 March 2019	37,656	915	1,416	920	40,907
At 31 March 2018	36,715	1,639	1,438	1,301	41,093

Group fixed assets include assets with carrying values of £20,592,212 (2018:£21,156,000) which have been pledged as security for bank loans disclosed in note 12.

The assets under construction represent the cost to date of development and implementation of the new Access back-office system and Kingsley Hall's cost of redevelopment to date of Phase 1B.

Note 8 Tangible fixed assets (cont'd)

Charity	Functional freehold property £000	Assets under construction	Functional leasehold property £000	Other fixed assets £000	Total £000
Cost					
At 1 April 2018	38,326	–	1,685	7,539	47,550
Additions	230	859	–	284	1,373
Disposals	(632)	–	–	(35)	(667)
At 31 March 2019	37,924	859	1,685	7,788	48,256
Depreciation					
At 1 April 2018	2,546	–	247	6,261	9,054
Charged in the year	480	–	22	655	1,157
Released on disposal	(21)	–	–	(35)	(56)
At 31 March 2019	3,005	–	269	6,881	10,155
Net book value					
At 31 March 2019	34,919	859	1,416	907	38,101
At 31 March 2018	35,780	–	1,438	1,278	38,496

Charity fixed assets include assets with carrying values of £19,194,000 (2018: £21,156,000) which have been pledged as security for bank loans disclosed in note 12.

Note 9 Financial investments

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Analysis of changes in investment values				
Investments at the start of the year	3,534	4,547	3,521	6,202
Additions	10	9	10	9
Disposals	–	(1,088)	–	(449)
Gains / (losses) on revaluation	(991)	66	(993)	67
Impairment of subsidiary investments	–	–	–	(2,308)
Investments at the end of the year	2,553	3,534	2,538	3,521

Analysis of investments

Investment properties	1,800	2,750	1,800	2,750
Cash and cash equivalents	147	137	147	137
Listed investments	606	647	583	626
Investments in subsidiary entities	–	–	8	8
Total investments	2,553	3,534	2,538	3,521

Note 10 Social investments

Movements in social investments, all of which are properties, held by the group and the charity are as follows:

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Investments at the start of the year	10,150	12,080	10,150	12,080
Additions	–	–	–	–
Disposals	–	(1,930)	–	(1,930)
Impairment of asset	(1,688)	–	(1,688)	–
Investments at the end of the year	8,462	10,150	8,462	10,150

Analysis of investments

Social investments	8,462	10,150	8,462	10,150
Total investments	8,462	10,150	8,462	10,150

Note 11 Debtors

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade receivables	2,300	2,768	2,271	2,753
Prepayments and accrued income	1,862	2,280	1,760	1,988
Other debtors	558	618	435	618
Amounts due from subsidiary undertakings	–	–	193	311
	4,720	5,666	4,659	5,670

Note 12 Creditors

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due within one year:				
Derivative financial instrument liabilities	173	193	173	193
Trade payables	1,189	2,080	1,191	1,911
Accrued charges and deferred income	3,506	3,179	3,460	3,085
Taxation and social security	803	687	793	597
Bank loans	–	1,200	–	1,200
Other creditors	387	775	355	708
Amounts due to Group entities	–	–	16	176
	6,058	8,114	5,988	7,870

Amounts falling due after more than one year:

Accrued charges and deferred income	–	47	–	47
Other loans	50	–	–	–
Bank loans	7,050	4,425	6,300	4,425
	7,100	4,472	6,300	4,472

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

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£000	£000	£000	£000
Within 1 year	–	1,200	–	1,200
Within 1–2 years	230	2,400	230	2,400
Within 2–5 years	1,118	2,025	1,050	2,025
After 5 years	5,752	–	5,020	–
	7,100	5,625	6,300	5,625

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

Facility provider	Interest base	Margin	Out-standing at 31 March 2019 £000	Repayable by
Metro Bank Term loan	Metro Bank base rate	3.25%	6,000	15/03/2029
Metro Bank Revolving credit	Metro Bank base rate	3.50%	300	15/03/2022
Charity Bank Term loan (Group – KHCC)	Bank of England	3.25%	750	20/06/2043
Lester Trust Fund (Group – KHCC)		1.50%	50	12/07/2023

Note 13 Pensions

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

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

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

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

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

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

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

The Pensions Trust Growth Plan (a multi-employer defined benefit scheme). There are two active members of this scheme which is closed to further benefit accrual; contributions are made at the minimum level required to maintain membership of the scheme and for reduction of the deficit in the scheme. Withdrawal from the scheme would trigger a liability estimated at 31 March 2019 at £293,000 (2018: £468,000). There is no intention to withdraw from the scheme and therefore this liability is not recognised in the Accounts at 31 March 2019.

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

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

The cost of employer contributions to the defined contribution plans was £1,765,000 in the year (2018: £1,802,000). There are no prepaid contributions in respect of any of the schemes at the balance sheet date.

Note 13 Pensions (cont'd)

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

The last triennial valuation of the Livability DB scheme was carried out as at 30 September 2015 and has been updated to 31 March 2018 by an independent qualified actuary, in accordance with FRS 102.

This most recent actuarial valuation showed a deficit of £6,140,000. The employer has agreed with the Trustee that it will aim to eliminate the deficit over a period of 5 years and 5 months from 1 April 2020 by the payment of annual contributions of £1,100,000, increasing at 2.6% per annum with first increase on 1 April 2021, in respect of the deficit. In addition, the employer will pay annual contributions of £124,200 in respect of scheme expenses.

For the previous period, the Recovery Plan that was put in place after the 30 September 2015 actuarial valuation of the Scheme will continue until 31 March 2020.

The recovery contribution made to the Livability DB scheme by the Charity in the year was £1,064,255, as set out in the previous agreed deficit recovery plan, plus a contribution for administration expenses of £124,200.

An actuarial valuation of JGPAS was carried out as at 31 March 2015 and updated to 31 March 2018 by an independent qualified actuary. The recovery contribution made to the Scheme by the employer in the year was £530,000, plus administration expenses of £75,000. The contributions for the year to 31st March 2020 are expected to be £530,000.

Note 13 Pensions (cont'd)

The assets in the schemes were:

	Livability DB	JGPAS	Growth Plan	Total	Livability DB	JGPAS	Growth Plan	Total
	2019	2019	2019	2019	2018	2018	2018	2018
	£000	£000	£000	£000	£000	£000	£000	£000
Equity	16,427	5,612	–	22,039	15,110	5,298	–	20,408
Bonds	15,260	11,908	–	27,168	14,511	12,108	–	26,619
Property	1,531	–	–	1,531	1,803	–	–	1,803
Cash and liability driven investments	239	1,092	–	1,331	151	44	–	195
Fair value of scheme assets	33,457	18,612	–	52,069	31,575	17,450	–	49,025
Present value of scheme liabilities	(36,456)	(20,068)	(293)	(56,817)	(36,032)	(19,025)	(468)	(55,525)
Pension liability disclosed in the financial statements	(2,999)	(1,456)	(293)	(4,748)	(4,457)	(1,575)	(468)	(6,500)
The actual return on scheme assets over the period was:	1,939	1,129	–	3,068	1,553	419	–	1,972

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

	Livability DB	JGPAS	Total
	£000	£000	£000
Present value of liabilities at 31 March 2017	38,957	19,096	58,053
Current service cost	119	137	256
Interest cost	988	499	1,487
Remeasurement (gains) / losses	(2,000)	(13)	(2,013)
Benefits paid	(2,032)	(694)	(2,726)
Present value of liabilities at 31 March 2018	36,032	19,025	55,057
Past service cost	199	100	299
Interest cost	923	489	1,412
Remeasurement (gains) / losses	400	1,026	1,426
Benefits paid	(1,098)	(572)	(1,670)
Present value of liabilities at 31 March 2019	36,456	20,068	56,524

Note 13 Pensions (cont'd)

Movements in the fair value of scheme assets have been:

	Livability DB	JGPAS	Total
	£000	£000	£000
Present value of liabilities at 31 March 2017	30,919	17,058	47,977
Interest income	792	452	1,244
Remeasurement gains / (losses)	761	(33)	728
Contributions by employer	1,135	667	1,802
Benefits paid	(2,032)	(694)	(2,726)
Present value of liabilities at 31 March 2018	31,575	17,450	49,025
Interest income	821	454	1,275
Expenses	(119)	–	(119)
Remeasurement gains / (losses)	1,118	675	1,793
Contributions by employer	1,160	605	1,765
Benefits paid	(1,098)	(572)	(1,670)
Present value of liabilities at 31 March 2019	33,457	18,612	52,069

The Growth Plan

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

	£000
Present value of payments at 31 March 2017	527
Interest cost	7
Contributions	(59)
Remeasurements	(7)
Present value of payments at 31 March 2018	468
Interest cost	7
Contributions	(60)
Remeasurements	(121)
Present value of payments at 31 March 2019	294

Note 13 Pensions (cont'd)

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

	2019	2018
	£000	£000
Current service cost	–	256
Expenses	119	–
Past service cost	299	–
Net interest cost	144	250
Included in net (income) / expenditure	562	506
Actuarial (gains) / losses	(488)	(2,748)
Total recognised (gains) and losses reported in the SOFA	74	(2,242)

Contributions and administration fees payable in the year ending 31 March 2020 are expected to be:

	£000
The Livability Final Salary Pension Scheme	1,188
The Pensions Trust Growth Plan	49
John Grooms Pension and Assurance Scheme	530
	1,767

Note 13 Pensions (cont'd)

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

		At 31 March 2019	At 31 March 2018
Defined benefit schemes			
Discount rate		2.40%	2.60%
Rate of increase in salaries		3.30%	3.20%
Inflation assumption	CPI	2.30%	2.20%
	RPI	3.30%	3.20%
Pension increases:			
<i>The Livability Final Salary Pension Scheme</i>			
Deferred pensions of RPI or 5% pa if less		3.30%	3.20%
Pensions in payment of CPI or 5% pa if less		2.35%	2.25%
Pensions in payment of CPI or 3% pa if less		1.95%	1.90%
Pensions in payment of CPI or 2.5% pa if less		1.75%	1.70%
<i>The John Grooms Pension and Assurance Scheme</i>			
Pension earned before 6 April 1994		5.00%	5.00%
GMP earned after 5 April 1994		1.95%	1.90%
Pension in excess of GMP earned after 5 April 1994		3.15%	3.07%
Assumed life expectancies in years on retirement at age 65 are:			
<i>The Livability Final Salary Pension Scheme</i>			
Retiring today	Males	21.2	22.3
	Females	23.0	24.0
Retiring in 20 years' time	Males	22.6	23.7
	Females	24.2	25.2
<i>The John Grooms Pension and Assurance Scheme</i>			
Retiring today	Males	21.2	21.6
	Females	23.7	23.5
Retiring in 20 years' time	Males	22.6	23.0
	Females	24.9	24.7
The Growth Plan			
Discount rate		1.39%	1.71%

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

Note 14 Funds (Group)

	Balance at 31 March 2018	Incoming resources	Outgoing resources	Unrealised gains / (losses)	Transfers	Balance at 31 March 2019
	£000	£000	£000	£000	£000	£000
Designated Funds:						
Maintenance reserve – Designated	–	–	–	–	10,081	10,081
Property fund	23,738	–	–	–	(23,738)	–
Equipment fund	1,301	–	–	–	(1,301)	–
Revaluation fund	11,434	–	–	–	(2,638)	8,796
Total designated funds	36,473	–	–	–	(17,596)	18,877
General Fund	2,937	45,592	(48,227)	(991)	16,731	16,042
Unrestricted funds before pension liability	39,410	45,592	(48,227)	(991)	(865)	34,919
Pension reserve	(6,500)	–	(561)	488	1,825	(4,748)
Total unrestricted funds	32,910	45,592	(48,788)	(503)	960	30,171
Education	1,404	83	(19)	–	(565)	903
Residential & Community Services	2,132	364	(81)	–	(309)	2,106
Community Engagement	56	63	–	–	(60)	59
Overseas	105	6	(13)	–	(98)	–
Giving by Lending	57	–	–	–	–	57
F Clements Will Trust	30	–	–	–	–	30
Faith & Hope Nurseries	78	–	–	–	(65)	13
Kingsley Hall Church & Community Centre	1,072	647	(699)	–	(70)	950
Kingsley Hall, Dagenham	1,549	–	(45)	–	(739)	765
Prospects	453	424	(424)	–	–	453
SOFA	–	–	–	–	–	–
Holton Lee	58	266	(3)	–	–	321
Holton Lee – general	–	–	–	–	–	–
Total Restricted Funds	6,994	1,853	(1,284)	–	(1,906)	5,657

Note 14 Funds (Group) (cont'd)

	Balance at 31 March 2018	Incoming resources	Outgoing resources	Unrealised gains / (losses)	Transfers	Balance at 31 March 2019
	£000	£000	£000	£000	£000	£000
Permanent Endowment Funds						
Chiswick	1,956	–	(1,688)	–	207	475
Highway	2,613	–	(134)	–	–	2,479
Marsh St.	922	–	–	–	–	922
Coney Hill Will	26	–	–	–	–	26
Welcome	986	–	–	–	–	986
Kingsley Hall, Dagenham	–	–	–	–	739	739
SHBEF	30	–	–	–	–	30
Shaftesbury Development	506	–	–	–	–	506
Beddington	53	–	–	–	–	53
Platt	496	–	–	–	–	496
Total Permanent Endowment Funds	7,588	–	(1,822)	–	946	6,712
Total funds	47,492	47,445	(51,894)	(503)	–	42,540

A maintenance reserve and a revaluation reserve funds were created in line with the new reserve policy adopted by the trustees during the year. The property fund and the equipment fund were closed and transferred to reflect the change in the reserve policy.

During the year, £960k was transferred from restricted funds to unrestricted funds. Restricted funds are those funds that are available for specific, restricted purposes within the overarching charitable objects of Livability. All expenses were individually identified and satisfies the reason for the transfer from restricted to unrestricted funds.

During the year, the endowment fund for Kingsley Hall was recognised and transferred from restricted fund to permanent endowment fund. The endowment fund was included as restricted fund under the group consolidation in earlier years.

Note 14 Funds (Group) (cont'd)

Name of fund	Description, nature and purpose of Fund
Unrestricted Funds	
Property Fund	Represents the total amount (at cost less depreciation, impairment, unamortised government grants, mortgages and secured bank loans) invested in freehold and leasehold properties used for the functional purposes of the charity
Revaluation Fund	Represents the difference between depreciated historical cost and carrying value of the charity's property and investment assets resulting from revaluation
Equipment Fund	Represents the total amount at cost or valuation, less depreciation and unamortised government grants and direct borrowing, invested in fixtures and fittings and motor vehicles used for the functional purposes of the charity
General Funds	Represents undesignated monies retained to provide the working capital to enable the charity to carry out its activities
Pension Reserve	Represents the deficit in the charity's defined benefit pension schemes, as calculated under FRS 102
Restricted Funds	
Education	Various funds received to support individual educational establishments
Residential & Community Services	Various funds received to support individual adult support establishments and holidays, lifestyle and other operations
Giving by Lending	Monies received from individuals
F Clements Trust Fund	Income from this fund is to support the charity's general activities
Community Engagement	To support the work of the Community Engagement team and the Link Churches
Faith Training Centre	To support the work of the Faith Horticultural Centre
Overseas	Various funds to support our overseas work
Kingsley Hall Church & Community Centre	Represents the net assets of Kingsley Hall Church and Community Centre
Kingsley Hall, Dagenham	To promote social, educational and religious nature for the benefit of local residents
Holton Lee	Various funds supporting the work at Holton Lee
Prospects	Various funds brought in and maintained as part of the merger with Prospects

Note 14 Funds (Group) (cont'd)

Permanent Endowment funds	Commonly known as	Objects
Chiswick Mission	Chiswick	To promote local mission purposes
Highway Evangelical Church (Stratford)	Highway	To promote local church and mission purposes
Marsh Street Mission (Walthamstow)	Marsh Street	To promote local mission purposes
The Coney Hill Will	Coney Hill Will	To promote the education and welfare of children and young persons
The Shaftesbury Welcome Mission (Battersea)	Welcome	To promote local mission and community purposes
Kingsley Hall, Dagenham	Kingsley Hall	To promote social, educational and religious nature for the benefit of local residents
Samuel Hale Bibby Endowment Fund	SHBEF	To advance the education of children and young persons with physical disabilities
The Shaftesbury Development Fund	Shaftesbury Development	To apply income to the general purposes of Livability
The Beddington Fund	Beddington	To benefit children and young persons by ministering to their needs; aiding their advancement in life; establishing, taking over and maintaining homes; generally promoting their education and welfare
Platt Mission, Putney	Platt	To promote local mission purposes and the religious education of children and young people

Note 15 Analysis of net assets by funds

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

	General	Designated	Pension	Restricted	Permanent Endow- ment	Total
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	14,710	21,129	–	2,746	2,322	40,907
Financial investments	593	986	–	44	930	2,553
Social investments	2,003	3,062	–	–	3,397	8,462
Cash	87	–	–	3,688	29	3,804
Other current assets	4,656	–	–	64	–	4,720
Current liabilities	(6,007)	–	–	(85)	34	(6,058)
Long-term liabilities	–	(6,300)	(4,748)	(800)	–	(11,848)
Funds at 31 March 2019	16,042	18,877	(4,748)	5,657	6,712	42,540

Prior Year

	General	Designated	Pension	Restricted	Permanent Endow- ment	Total
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	–	35,840	–	3,670	1,583	41,093
Financial investments	306	2,030	–	43	1,155	3,534
Social investments	997	4,275	–	–	4,878	10,150
Cash	2,810	–	–	3,325	–	6,135
Other current assets	5,625	–	–	41	–	5,666
Current liabilities	(6,801)	(1,200)	–	(85)	(28)	(8,114)
Long-term liabilities	–	(4,472)	(6,500)	–	–	(10,972)
Funds at 31 March 2018	2,937	36,473	(6,500)	6,994	7,588	47,492

Note 16 Commitments and contingent assets

	2019	2018
	£000	£000
Contracted	711	424
Approved not contracted	Nil	8

The amount is the charity's financial obligation towards the development and implementation of the new Access ERP system.

At the date of the accounts, the charity has been notified of legacies in which a life interest is held with a value of £Nil (2018: £0.2m) that are contingent assets.

Note 17 Obligations under operating Leases

Group	Land and	Other	Total	Land and	Other	Total
	Buildings	Equipment		Buildings	Equipment	
	2019	2019		2018	2018	
	£000	£000	£000	£000	£000	£000
Within one year	688	74	762	665	68	733
In 2-5 years	1,553	65	1,618	1,574	106	1,680
Over 5 years	629	–	629	989	–	989
	2,870	139	3,009	3,228	174	3,402

Charity	Land and	Other	Total	Land and	Other	Total
	Buildings	Equipment		Buildings	Equipment	
	2019	2019		2018	2018	
	£000	£000	£000	£000	£000	£000
Within one year	688	74	762	665	68	733
In 2-5 years	1,553	65	1,618	1,574	106	1,680
Over 5 years	629	–	629	989	–	989
	2,870	139	3,009	3,228	174	3,402

Note 18 Financial instruments

	Group		Charity	
	2019	2018	2019	2018
	£000	Restated £000	Restated £000	Restated £000
Financial assets at fair value through income and expenditure				
Financial investments	2,553	3,534	2,538	3,521
Social investments	8,462	10,150	8,462	10,150
Financial assets that are debt instruments measured at amortised cost				
Accounts receivable	2,300	2,768	2,271	2,753
Other debtors	558	618	435	618
Amounts due from subsidiaries	–	–	193	311
Financial liabilities at fair value through income and expenditure				
Interest rate options	–	(20)	–	(20)
Secured loans	(173)	(173)	(173)	(173)
Financial liabilities measured at amortised cost				
Bank loans	(7,100)	(5,625)	(6,300)	(5,625)
Trade creditors	(1,189)	(2,080)	(1,191)	(1,911)
Amounts due to subsidiaries	–	–	(16)	(176)

Livability has one secured loan payable with a settlement value which is dependent on the value of the property it was used to purchase.

Note 19 Related Parties

Trustees

Trustees receive no remuneration in respect of their services as Trustees of Livability. Travel and other out of pocket expenses were reimbursed to 10 Trustees in the year to the value of £2,981 (2018: £3,368) and the cost of providing training to Trustees in relation to their duties were £ Nil (2018: £275).

Livability paid £ 4,783 In the year (2018: 5,357) to provide indemnity insurance for the Trustees.

Livability received donations of £2,511 (2018: £1,485) from the Trustees.

	The Shaftes- bury Society	Livability Icanho Limited	Kingsley Hall Church and Commun- ity Centre	Livability Contract- ing Services Limited	East Holton Charity	Holton Lee Limited	Prospects
	£000	£000	£000	£000	£000	£000	£000
2019							
Balance sheet amounts							
Amounts due to Parent undertaking	–	–	170	2	–	24	–
Amounts due from Parent undertaking	15	2	–	–	–	–	10
Income							
Donation from Parent Charity	–	–	8	–	–	–	–
Expenditure							
Charitable Donations Paid	–	118	–	2	–	33	–
2018 (restated)							
Balance sheet amounts							
Amounts due to Parent undertaking	–	–	281	–	–	29	–
Amounts due from Parent undertaking	16	1	–	147	–	–	13
Income							
Donation from Parent Charity	–	–	8	–	–	–	–
Expenditure							
Charitable Donations Paid	–	149	–	7	–	41	–

Trusts and Supporters 2018-19

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

Trusts and Foundations

Screwfix Foundation
Yorkshire Health Charity
Post Green Community
Talbot Village Trust
Big Lottery Community Fund
European Union – European Social Fund
The Slavanka Trust
The Nora and Olive Brewer Memorial Trust
The Edith Murphy Foundation
The Hobson Charity
National Lottery Heritage Fund
The Thomson-Bree Charitable Trust
Joan Ainslie Charitable Trust
The Alice Ellen Cooper-Dean Charitable Foundation

Supporters

Janice Hutton
Susan Simner
Ben & David Swales
David Smith & Julia Stanton
Roger Parsons
NBB School Shelters
M.A. Hart
Rotary Club of Bognor Regis
Rotary Club of Bognor Hotham
Viridor Credits
Pen Underwriting
Friends of Brackley Friends of Dolphin Court
Friends of John Grooms Court
Friends of Keefield Close
Friends of Nash College
Friends of Netteswell Rectory
Friends of Victoria Education Centre
Friends of Wall Street
Friends of York House
Friends of York House Ossett

Organisational Details

Patron	Her Royal Highness, The Princess Royal
Vice-Patron	The Right Honourable The Earl of Shaftesbury Nicholas Ashley-Cooper
President	The Most Revd and Rt Hon the Lord Justin Welby, Archbishop of Canterbury
Senior Vice President	Baroness Valerie Howarth of Breckland OBE

Vice Presidents

Baron Donald Curry of Kirkharle
Prof Ram Gidoomal CBE
David Harmer
Roy McCloughry
The Rt Hon Lord McColl of Dulwich CBE
Sarah Omond
Robert Powell
Pamela Rhodes
The Revd Canon Roger Royle
Revd Michael Shaw
The Rt Revd and Rt Hon the Lord
Williams of Oystermouth
Michael Edgar MA MChir RCS
(resigned January 2019)

Trustees

Kate Clare, Chair of Trustees
(appointed as Chair on 29 July 2019);
Chair of Safeguarding Board and
Services Committee
Sally Chivers (appointed as Chair 25 July
2018, resigned as trustee and Chair on
30 July 2019)
Caroline D Armitage, Chair of Trustees
(resigned 25 July 2018)
David Bentley (resigned on 4 July 2019)
Angus Brown
Anne-Marie Costigan
Keith Hickey, Honorary Treasurer,
Chair of Finance and General Purposes
Sub-committee
Brian James
Revd Agnita Oyawale
Craig Philbrick (resigned on 15 July 2019)
John Robinson CBE, Chair of
Audit Committee
Andrew Wilson
Nicola Tallett (resigned 11
December 2018)
Hannah Foster, Chair of Remuneration
Sub-committee (resigned 20
March 2019)

Senior officers

Chief Executive Officer – Helen England
(resigned 30 June 2019)

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

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

Executive Director of People and
Change – Wande Showunmi
(appointed 4 March 2019)

Executive Director of Engagement and
Transformation – Clare Elwin (appointed
28 May 2019)

Executive Director of Resources –
Alex Botha (resigned 31 October 2019)

Executive Director of Education –
Dan Alipaz (appointed 13 June 2019)

Finance Director – Tony Brown
(appointed 1 November 2019)

Principal Solicitors

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

Principal Bankers

Metro Bank plc, One Southampton Row,
WC1B 5HA

Auditors

BDO LLP, 55 Baker Street London
W1U 7EU

Chartered Surveyors, Property Valuers

Cluttons LLP, 2 Portman Street, London,
W1H 6DU Mass & Co, 25 High Street,
Brentwood, Essex CM14 4RG

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

Registered and Central Office

Livability, 6 Mitre Passage, London
SE10 0ER
www.livability.org.uk

It all adds up to

Livability

Email: info@livability.org.uk

www.livability.org.uk   LivabilityUK

Livability is a registered charity and company limited by guarantee in England and Wales. Charity No: 1116530 and Company No: 5967087. Registered office: 6 Mitre Passage, London, SE10 0ER.

