

APFS 1807

(formerly Pilgrims' Friend Society)

FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD ENDED 30th September 2016

Charity Registration No 1134979

Company Registration No 07169875 (England and Wales)

APFS 1807

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

Trustees (and members of the charity to 30 September 2016)

Alan Copeman (Chairman)	Bryan Jarvis (Vice-Chairman)
Alan Hare (Treasurer)	Andrew Symonds (Vice-Chairman)
John Edwards	Ray Thurgood (resigned 6 September 2016)
Judy McLaren	Robin Turnbull (resigned 6 September 2016)
Jonathan Gulliford (appointed 6 September 2016)	

Following the year end, on 1 October 2016 Pilgrims' Friend Society became the sole member of the charity. The trustees remained in post and continue to exercise management responsibility of this charity's wholly owned subsidiary - Pilgrim Homes (formerly Aged Pilgrims Friend Society)

Key Management Personnel

The key management personnel were the trustees above and the Senior Management Team listed below:

Stephen Hammersley	Chief Executive Officer
Maureen Sim	Director of Operations
Adrian Bray	Director of Finance
Andy Walsh	Director of Property Services
Phil Wainwright	Director of Human Resources and IT
Ian Buchanan	Director of Marketing (resigned 23 June 2016)
Geoff Norris	Company Secretary

Secretary	Mr G Norris
Principal office	175 Tower Bridge Road London SE1 2AL
Charity number	1134979
Company number	07169875
Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Investment advisers	Rathbones Limited 1 Curzon Street London W1J 5FB

**TRUSTEES' REPORT
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016**

The trustees are pleased to present their report, together with their financial statements of the charitable company for the 18 month period ended 30th September 2016. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Introduction

This report and accounts describe the work of the charity that was previously known as Pilgrims' Friend Society. The change of name and eighteen month accounting period are a necessary consequence of the work being done to simplify the governance arrangements for the charity in order to reduce costs and make the charity more effective.

As at 1 April 2015, Pilgrims' Friend Society (PFS) consisted of a group of charities sharing a common commitment to the provision of excellent care to older people through care homes and housing schemes. The care provided by the group is and has been identical in all of the homes and schemes operated by the charities being provided within the context of advancing the Christian faith and supporting the faith of the residents who live in our homes and schemes.

The four operating charities at that date were as follows:-

- i) **Pilgrims' Friend Society (PFS)** – a co-ordinating charity set up to operate shared finance management, operational management, HR and property services activities to the three operating charities for which it acted as trustee. Those charities were:-
- ii) **Pilgrim Homes** established in 1807, is an unincorporated charity operating seven care homes and three housing schemes. The beneficiaries of this charity are defined by the trust deed of Pilgrim Homes as being Protestant Christians who subscribe to the Pilgrim Homes Statement of Faith which residents or their representatives are required to sign.
- iii) **Pilgrim Havens** is an incorporated charity operating four care homes and one housing scheme. The operation of these homes/scheme is identical to that for Pilgrim Homes, the only difference is admissions where residents of the homes receive a copy of the statement of faith but are not required to sign it. Residents are accepted who want to live in a Christian care home even if they are not Christians themselves.
- iv) **Redbourn Missionary Trust** – an unincorporated charity set up to provide long and short term housing for Christian Missionaries either those currently working overseas or those who have now retired from active service. Given their personal commitment to the advance of the Christian Faith, those using the facilities would be in agreement with Pilgrims' Friend Society 's statement of faith.

On 12 November 2015 Blake Morgan, as solicitors to Pilgrims' Friend Society, applied to the Charity Commission for their consent to the following actions:-

- a) Merger of Redbourn Missionary Trust into PFS – to address the deficit in the PFS balance sheet
- b) Transfer of PFS Assets & Liabilities (including Redbourn MT) to Pilgrim Havens – as a step towards reducing the numbers of charities (longer term the PFS legal entity is not needed)

In March 2016 the Charity Commission agreed these actions and they were effected on 27 & 28 April 2016.

At that time the name of PFS was then changed to APFS 1807 and Pilgrim Havens name was changed to PFS. This was necessary because the final restructuring steps (taken post balance sheet date) require us to use the legal entity that was Pilgrim Havens (now renamed PFS) as the lead charity in the group.

APFS 1807

TRUSTEES' REPORT FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

So at 30 September 2016 the group consists of three charities:

- **APFS 1807**, which acted as non-trading trustee of Pilgrim Homes and the sole member of PFS;
- **Pilgrims Friend Society**, which owns and operates care homes that provide Christian care to older people, provides Head Office functions, and runs the operations of the Redbourn Missionary Trust
- **Pilgrim Homes**, which owned and operated care homes that look after older Protestant Christians

Since the year end there have been two further changes to the group:-

1. On 1 October 2016, APFS 1807 became a subsidiary of Pilgrims' Friend Society while still acting as trustee for Pilgrim Homes. On that date the trustees of Pilgrims' Friend Society became the members of that charity.
2. On 19 December 2016, the operations of the care homes and housing schemes of Pilgrim Homes (formerly Aged Pilgrims' Friend Society), with the exception of our Evington Home which did not at that time have a manager and therefore could not be transferred for regulatory reasons, were transferred to a restricted fund within Pilgrims' Friend Society to be known as the Pilgrim Homes Restricted Fund. These homes will retain their distinct Christian ethos and continue to operate in accordance with the principles laid down many years ago in the founding documents

What we do

APFS 1807 is a corporate charity which acts as the holding company for a group of Christian charities that exists to serve older people and Christian missionaries. offering support, encourage and care, in a Bible based way. We do this directly in our care homes and missionary housing and indirectly through our resources and conferences exploring the issues faced by older Christians.

The difference we make:-

1. Care and housing

Our primary focus in the year has been the delivery of care to the 400 or so people who live in our homes and schemes. The key tool for measuring our impact in this area is a comprehensive system of questionnaires that ask residents and their families on a rolling monthly basis about all aspects of our service delivery. We do not attempt to boil down the results to a single "score", rather our audit committee looks at the results, makes sure that points for improvement are acted on and reports to the Board with its judgement on the quality of care delivered.

2. Work outside our homes and housing schemes

We continued with an active programme of conferences and regional meetings across the country at which we shared insights and our experience of caring for older people. We expanded our range of booklets on topics relating to Christian care and in particular addressing some of the difficult questions presented by dementia.

We also communicated with nearly 5,000 people through our magazine, occasional updates and topical email bulletins.

During the year we have worked together with a number of other Christian charities to establish a new initiative with the working title "Faith in Later Life". This seeks to inspire and equip older Christians in their service and churches in their ministries with older people.

3. Staff and Volunteers

Our staff colleagues are at the heart of what we do to deliver care and we are delighted that they are mentioned so often by our residents and their families for the quality of what they do.

This year we piloted a new form of person-centred dementia care in two of the homes operated by Pilgrim Homes. This involved a new approach to care, with much more of a family feel as carers and residents live, eat and work together. This new approach was warmly welcomed by families and friends who were helped to understand better their loved ones. Training was also given to our supporters and visitors to the homes. The project exceeded our expectations and will be rolled out at further homes in coming years.

Our home visitors, friends and auxiliaries are a vital aspect of our work. As well as raising some of the finances we need they also make it go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes.

4. Our Properties

In the year we successfully completed the renovation and improvement work to the former Olive Luff House (now simply known as Luff House) at Walton on the Naze, at the same time with the help of Age UK creating a community room on the site to replace in part the facilities lost through the closure of the Hewitt House Day Centre. We have also started work on a project to extend our home at Great Finborough in Suffolk.

In 2015 we started a programme looking at the quality of the facilities we offer through our care homes and housing schemes. In conjunction with local Christians, churches and charities, we have started work on reviewing our facilities in North London (Bedford and Redbourn) and Chippenham. Our aim is to upgrade the quality of provision either by redeveloping our existing sites or relocating to other sites where we are able to offer facilities of a higher quality.

We have also started to scope the scale of investment required to deliver the levels of care that we now believe our residents increasingly expect. This includes increasing the number of rooms with ensuite facilities at our Wantage home and adapting and improving the environment at our two dementia pilot homes, Tunbridge Wells and Wantage.

Our plans for the future

At the time of writing this report the trustees and directors are engaged in agreeing the parameters of a three year plan. This will carry the strapline "Fulfilled Living" The specific things that we plan to do are:

- *Good care through our homes* – A leading provider of Christian care and support to older people.
- *Good care in the community* – To equip churches to seize the opportunities presented by an ageing population to support older people.
- *Good stewards* – To be efficient and effective with our resources and ready for future growth.

Risks and regulations

We operate in a highly regulated environment and during the accounting period the Government introduced the National Living Wage of £7.20 per hour from 2016, setting a trajectory to increase this to £9.00 per hour by 2019/20.

2016 therefore saw the need for a substantial fee increase, in line with most homes across the care industry, both to cover the additional staff costs and additional costs of regulation imposed upon the group. Within this increase we have also covered the costs of computerising our care plans and extensive property works to improve the quality of facilities offered to our residents, improvements in dementia care and improved staff training.

Structure, governance and management

The company is registered as a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association. Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team.

Objects and activities of the group

APFS 1807 is a charitable company which controls a number of subsidiary charities. Up to 28 April 2016 the main activity of the charity was the provision of resources and support to them. It also sought to raise awareness of current issues of old age from a Christian perspective through holding conferences meetings and production of literature and educational materials. From 29 April 2016 to 30 September 2016 the charity acted solely as custodian to its two principal subsidiary charities: - Pilgrim Homes (formerly Aged Pilgrims Friend Society) and Pilgrims Friend Society.

The objects of Pilgrim Homes (formerly Aged Pilgrims Friend Society) a charity founded in 1807 are: "the relief either individually or collectively of poverty, sickness, disablement, old age and infirmity among elderly persons of the Protestant Christian Faith, who are in agreement with the Society's Doctrinal Statement and can give scriptural testimony as shall in the judgement of the Trustees show them to be of the 'Household of Faith'".

The objects of Pilgrims' Friend Society are the same as those of APFS 1807: "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God."

The activities of both of these charities are the operation of Christian care homes and housing for older people. Pilgrims' Friend Society also continues to operate a housing scheme for serving and retired missionaries.

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Pilgrims' Friend Society also controls two further entities:

1. Pilgrim Homes Trading Limited, whose activities consist of project management for major building works, sale of publications and operation of conferences on behalf of the group. All profits generated by this subsidiary are 'Gift Aided' to Pilgrims' Friend Society.
2. Anna Victoria Nursing Home - during the period of these accounts this charity was dormant and owned a redundant care home. Shortly after the year end this property was sold. The proceeds have been retained within the charity and steps are being taken to wind up this charity.

Principal aims, objectives and strategies of the group

Each of the charities within the group are responsible for carrying out their own objectives. The way in which the various charities do this is set out below.

Provision of Accommodation and Care

The principal way in which the two major operating charities, Pilgrim Homes and Pilgrims' Friend Society, seek to carry out their objects is through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care as a result of their age, poverty, sickness or disablement. Care can also be provided for adults below the age of 65 who are suffering from a disease, illness or medical condition normally associated with old age. The homes operated by the different charities have different admission processes that allow them to focus on their different target beneficiary groups. Pilgrim Homes and Pilgrims Friend Society also provide housing, support and other services to those over the age of 60 who wish to maintain an independent lifestyle but are in need as a result of their age, poverty, sickness or disablement. Help may be provided if needed with day-to-day tasks that advancing age and possibly illness or disability may make increasingly difficult.

In line with our articles both charities promote the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions are arranged led by residents, visitors and ministers from a range of Protestant denominations.

Since the closure of the Redbourn Missionary Trust, Pilgrims' Friend Society has continued with this aspect of the work, namely the provision of accommodation to those engaged in full time missionary work and those who have now retired from active service overseas.

Pilgrim Care provides domiciliary care for residents in our extra care housing scheme at Royd Court in Mirfield.

Support and Promotion

APFS 1807 and, from 28 April 2016, Pilgrims' Friend Society has continued to provide support and resources to the other group charities whilst presenting the public face of the group, seeking to share with a wider audience through literature, meetings and conferences the lessons learned from the care homes about how Churches and individuals can care better for older people.

All the charities in the group continually reassess the services provided to meet changing needs.

What are the benefits that arise from the activities we carry out to achieve our aims?

The benefits of our work are people living safe and fulfilled lives in their latter years when they need Christian care and support.

APFS 1807 and its subsidiary charities aim to provide a safe, secure environment with opportunities for fellowship with like-minded Christian people. We promote the Christian faith by providing quality care in our homes and we seek to share what we have learned about effective Christian care with individuals and churches to enable them to care more effectively in the community.

Statement of Charitable Benefit

APFS 1807, has a responsibility to demonstrate that there is an identifiable benefit to a section of the general public in the pursuit of both its own activities and those of the other charities within the group. To that end, the trustees have complied with the duty in section 4 of the 2011 Charities Act to have due regard to the guidance published by the Charity Commission, including public benefit guidance. APFS 1807 and its subsidiary charities share a common doctrinal basis which lies at the heart of all the work they seek to carry out to the Glory of God. This reflects our endeavour to follow the biblical command to "do good to all people, especially to those who belong to the family of believers".

Risk management

The Directors of PFS review the Risk Register on a monthly basis and report any changes to the Trustees at every Board meeting. During the year the significant risks that have been under review have related primarily to staff recruitment issues (which have been a concern of the care industry as a whole) and to the effect of the standard of our properties affecting the occupancy levels of our homes. A concerted recruitment initiative has resulted in signs of an improvement in the staffing levels at our homes and a major review over the next few years of the properties which are considered to most impede the standard of care we seek to deliver has been initiated.

Investment policy

Through its subsidiary charity, Pilgrim Homes the group have continued to operate an investment portfolio managed by Rathbones, a leading firm of investment managers.

Given their responsibility for a significant property portfolio, the trustees have considered it appropriate to retain the balance of surplus funds in the form of cash which is held on short term bank deposit. As already stated the group are reviewing the need to reprovide accommodation at a number of sites and as this review progresses this investment policy will be reviewed and amended as necessary.

Principal sources of funding

The group expects to continue to raise the majority of its income from fees charged to residents of its homes.

Reserves

In addition to the various restricted and designated funds, the group holds general reserves sufficient to ensure that, in the event of a downturn in its primary purpose trading activities, that the charities would be able to cover immediate costs. A policy has been agreed whereby the group maintains at least £1,000,000 of these reserves in cash, or cash equivalent funds to cover short term cash-flow requirements, capital commitments, and three months of net operating losses. On completion of the restructuring the charity intends to review and update this policy.

Trustee recruitment and training

Trustees are appointed at a board meeting following on from a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charities' operations. During the current accounting period a trustee recruitment programme was handled by a firm of external recruitment consultants resulting in the appointment of three new trustees, one to the board of APFS 1807 and two to the board of Pilgrims' Friend Society. Newly appointed trustees meet with the chief executive and where appropriate members of the senior management team to provide an introduction to the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the chairman.

Financial review

The Board were pleased with the financial performance during the eighteen month period and acknowledge with grateful thanks the support of donors and legatees.

The overall level of income received in the period was similar, on a pro rata basis. Income levels are directly linked to occupancy which varied between 87.2% and 92.1% across the period. The trustees were pleased with a considerable improvement in occupancy at our homes in Brighton and Plymouth, however occupancy levels at Tunbridge Wells and also at Walton-on-the Naze remain disappointing although occupancy at the latter home may well have been affected by improvement works which were completed shortly after the year end.

**TRUSTEES' REPORT
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016**

On the expense front, the introduction of the minimum wage has increased costs. Although few staff members were remunerated below the £7.20 hourly wage chosen as the start point for the National Living wage, the introduction of the wage has had a ripple effect across all wage rates paid by the Society. In addition, towards the end of the period, the charity has experienced difficulty in recruiting and retaining high quality staff and has had to resort to expensive agency cover.

To fund these increased wages, the charities, in common with the rest of the sector raised fees in April 2016 by more than the rate of inflation.

As the owner of a number of care homes and housing schemes, the charity is faced with a substantial charge for depreciation (nearly £1.3 million in the period). This has a substantial effect on the Statement of Financial Affairs.

Volunteers

Volunteers play an essential part in the running and preservation of the distinct Christian ethos of the charity. In particular the charity acknowledges the support of a number of local Christian leaders who assist the charity by running Services at its homes. In addition the Society is grateful for the support a number of members of churches, local to our homes who visit our residents and raise funds.

Related parties

The trustees of the charity consider the following to be related parties:

1. The trustees of APFS1807 – as set out on page 1
2. Key Management Personnel of APFS1807
3. The following charities:
 - a) Pilgrim Homes (charity no. 242266)
 - b) Redbourn Missionary Trust (charity no. 267130) - until its closure in June 2016
 - c) Anna Victoria Nursing Home (charity no. 288915)
4. Pilgrim Homes Trading Limited

The pay of senior staff is reviewed annually.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved by the trustees on 25 April 2017 and signed on their behalf by:



Mr A Copeman
Chairman and Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables it to ascertain the financial position of the charity and which ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF APFS 1807

We have audited the group financial statements of APFS 1807 for the 18 month period ended 30th September 2016 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 to its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30th September 2016, and of its income and expenditure, for the 18 month period 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.

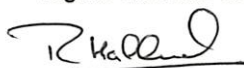
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we need for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



R I Haffenden MA(Cantab) FCA (Senior Statutory Auditor)

for and on behalf of Jacob Cavenagh & Skeet, Chartered Accountants and Statutory Auditor
5 Robin Hood Lane, Sutton, Surrey, SM1 2SW

Date: 26 APRIL 2017

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure account)
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016**



	<i>Note</i>	18 month period ended 30th September 2016			Unrestricted Funds £000
		Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	
Income from:					
Donations and legacies	2	1,564	261	1,825	1,208
Investments	3	88	10	98	9
Charitable activities	4	14,875	-	14,875	10,187
Other sources		25	-	25	16
Total income		16,552	271	16,823	11,420
Expenditure on:					
Raising funds	5	300	-	300	190
Charitable activities	6	15,699	30	15,729	10,742
Total expenditure		15,999	30	16,029	10,932
Net gains/(losses) on investments		102	-	102	48
Net income		655	241	896	536
Transfers between funds		268	(268)	-	2,923
Net movement in funds		923	(27)	896	3,459
Funds brought forward at 1st April 2015		29,597	3,197	32,794	26,137
Funds carried forward at 30th September 2016		30,520	3,170	33,690	29,596

APFS 1807

CONSOLIDATED BALANCE SHEET
AS AT 30TH SEPTEMBER 2016

	Note	As at 30th September 2016		As at 31st March 2015	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		26,255		26,065
Investments	11		1,698		1,554
			<u>27,953</u>		<u>27,619</u>
Current assets					
Stock	12	662		1,179	
Debtors and prepayments	13	470		1,016	
Short term deposits		2,006		2,006	
Cash at bank and in hand		3,361		1,990	
		<u>6,499</u>		<u>6,191</u>	
Creditors: amounts falling due within one year	14	762		1,016	
Net current assets			<u>5,737</u>		<u>5,175</u>
Total assets less current liabilities			<u>33,690</u>		<u>32,794</u>
Reserves and equity					
Unrestricted Funds	15,16		30,520		29,596
Restricted Funds	17		3,170		3,198
Total assets less current liabilities			<u>33,690</u>		<u>32,794</u>

Approved by the trustee on 25 April 2017 and signed on its behalf by:

A R COPEMAN		Chairman
A J HARE		Treasurer
S HAMMERSLEY		Chief Executive




APFS 1807 (Company number 07169875)

**COMPANY BALANCE SHEET
AS AT 30TH SEPTEMBER 2016**

	Note	As at 30th September 2016		As at 31st March 2015	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		-		120
Investments	11		-		77
					<u>197</u>
Current assets					
Debtors and prepayments	13	-		878	
Cash at bank and in hand		-		25	
				<u>903</u>	
Creditors: amounts falling due within one year	14	-		1,840	
Net current assets/(liabilities)			-		(937)
Total assets less current liabilities			-		<u>(740)</u>
Reserves and equity					
Unrestricted Funds			-		(740)

Note:- As a result of the reorganisation referred to in the trustees report, on 28 April 2016 all of the assets and liabilities of APFS 1807 were transferred to its subsidiary Pilgrims' Friend Society.

Approved by the trustee on 25 April 2017 and signed on its behalf by:

A R COPEMAN		Chairman
A J HARE		Treasurer
S HAMMERSLEY		Chief Executive

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

	18 month period ended 30th September 2016			Year ended
	Trading activities £000	Charitable Activities £000	Total £000	31st March 2015 Total £000
Cash flows from operating activities				
Trading and donations				
Net income	(668)	1,564	896	1,059
Donations used towards fixed asset purchases	193	(193)	-	-
Depreciation	1,278		1,278	708
Interest and dividends included in investing activities	(98)		(98)	(20)
(Gain)/loss on disposal of fixed assets	152		152	(334)
Realised (gains)/losses on disposal of investments	33		33	12
Movement in fair value of investments	(135)		(135)	(48)
Net cash provided by trading and donations	755	1,371	2,126	1,377
Working capital movements				
Decrease in housing stocks at Royd Court and Pilgrim Gardens	517		517	499
Decrease/(increase) in debtors	546		546	(374)
(Decrease) in creditors	(254)		(254)	(46)
Net cash provided by working capital movements	809	-	809	79
Net cash provided by operating activities	1,564	1,371	2,935	1,456
Cash flows from investing activities				
Tangible Fixed Assets				
Payments on additions of tangible fixed assets	(1,813)	-	(1,813)	(1,359)
Proceeds on disposal of tangible fixed assets	193	-	193	2,250
Net cash (used in)/provided by tangible fixed assets	(1,620)	-	(1,620)	891
Fixed Asset Investments				
Interest and dividends received	98		98	20
Payments on additions of fixed asset investments	(305)		(305)	(1,504)
Proceeds on disposal of fixed asset investments	263		263	535
Net cash provided by/(used in) fixed asset investments	56	-	56	(949)
Net cash (used in) investing activities	(1,564)	-	(1,564)	(58)
Net cash inflow	-	1,371	1,371	1,398
Cash and cash equivalents at 1st April 2015			3,996	2,598
Cash and cash equivalents at 30th September 2016			5,367	3,996

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounting period has been extended to the 18 months ended 30 September to encompass a number of changes to the group structure. Comparative figures relate to a 12 month period.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Reconciliation with previous UK Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP 2015 (FRS 102) the restatement of comparative items was required. As a result of this review, the net income for the year under previous United Kingdom Generally Accepted Accounting Practice has been adjusted to include investment gains as a component of the Statement of Comprehensive Income.

In accordance with the requirements of FRS 102 reconciliations of opening balances and net income are provided as follows:

Reconciliation of reported net income	£
Surplus for the year as previously stated	1,023
Adjustment for net investment gains now treated as a component of net income	36
	<hr/>
Balance restated at 1st April 2015	1,059
	<hr/> <hr/>

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The consolidated financial statements combine the results of the charity and its subsidiary undertakings which are as follows.

Name	Activities
Pilgrim Homes (formerly Aged Pilgrims' Friend Society)	Operation of care homes and sheltered accommodation
Pilgrims' Friend Society (formerly Pilgrim Havens)	Operation of care homes and sheltered accommodation
Pilgrim Homes Trading Limited	Trading activities connected with the group
Anna Victoria Nursing Home	Dormant Company

The transactions and balances of the subsidiary undertakings are included in the consolidated accounts on a line by line basis with intragroup transactions eliminated on consolidation.

Where the charitable company has been installed as sole trustee of a charitable subsidiary during the period the fair value of the assets and liabilities brought into the group have been recognised within voluntary income.

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

Fixed assets

Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating & plumbing	30 years
Bathrooms & lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment - sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

Income

Rental and ancillary income is recognised on the basis of when the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

A number of the staff members involved in providing support in the areas of Finance, Human Resources, Care, Property services and General management are employed on joint contracts with Pilgrim Homes (formerly Aged Pilgrims' Friend Society) and Pilgrims' Friend Society.

Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

Leases

Rentals payable under operating leases are dealt with on a straight line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

Pensions

The group operates a Group Personal Pension Plan, with funds externally held in individual pension accounts for each scheme member, and a defined contribution pension scheme with funds held in separate trusts. The group also continues to administer a final salary scheme, now closed to new members; pensions paid to former employees in this scheme are accounted for on a cash basis and funded out of current year income.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at fair value. Listed investments are shown at market value, while unlisted investments are shown at the trustees' estimate of market value. Gains and losses arising from revaluation are recognised in the Statement of Financial Activities.

Stock

Housing stock is valued at the lower of cost and net realisable value.

Debtors

Fees and extras receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Concessionary loans are included at historic cost.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Donations and legacies	1,564	261	1,825	1,336

3. INCOME FROM INVESTMENTS

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Bank interest	88	10	98	16
Dividends	-	-	-	4
	88	10	98	20

4. INCOME FROM CHARITABLE ACTIVITIES

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Care fees	12,579	-	12,579	8,234
Housing income	1,580	-	1,580	1,040
Extra Care Housing lease sales*	716	-	716	913
	14,875	-	14,875	10,187

*In the period 5 flat leases were sold (2015 6 flat leases)

5. EXPENDITURE ON RAISING FUNDS

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Publicity and deputation	300	-	300	190

6. EXPENDITURE ON CHARITABLE ACTIVITIES*Split by funds:*

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Housing	1,573	-	1,573	1,052
Care	12,514	30	12,544	7,977
Cost of extra care leases sold	718	-	718	913
General support costs	894	-	894	871
	15,699	30	15,729	10,813

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

6. EXPENDITURE ON CHARITABLE ACTIVITIES

Split by expenditure category:

	Housing £000	Care £000	Extra Care leases £000	General support £000	Total 2016 £000	Total 2015 £000
Salaries and Wages	205	8,344	-	1,366	9,915	6,559
Food	181	617	-	-	798	521
Administrative expenses	48	204	-	520	772	404
Repairs and maintenance	309	626	-	-	935	686
Heat and Light	126	289	-	-	415	314
Other expenses	102	468	-	-	570	363
Buildings depreciation	346	557	-	-	903	508
General depreciation	57	465	-	5	527	368
Cost of extra care leases sold	-	-	718	-	718	913
Professional fees	-	-	-	195	195	151
Governance costs: audit fees	-	-	-	26	26	26
Allocated administrative costs	199	974	-	(1,218)	(45)	-
	1,573	12,544	718	894	15,729	10,813

The auditors were paid £13,800 in 2016 for accountancy services (2015: £9,600).

7. SUPPORT COSTS

	Total 2016 £000	Total 2015 £000
Staff costs	1,366	998
Depreciation and losses on disposal	5	187
Professional fees	189	151
Other administrative expenses	520	240
	2,080	1,576

8. STAFF COSTS

	Total 2016 £000	Total 2015 £000
Wages and salaries	9,233	6,054
Social security	506	351
Other pension costs	176	92
	9,915	6,497

The average number of staff employed in the period on headcount was:

	Total 2016 No.	Total 2015 No.
Homes	424	442
Head Office	41	42
	465	484

The number of employees whose emoluments exceeded £60,000 in the 18 months ended 30 September 2016 was as follows (2015: none for the 12 months ended 31 March 2015): three between £60,000 and £70,000; two between £70,000 and £80,000; one between £80,000 and £90,000 and one between £120,000 and £130,000.

No remuneration was paid to any trustee during the year (2015: £nil). Travel expenses of £2,790 (2015: £5,010) were reimbursed to 6 trustees (2015: 7 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's business.

The total aggregate remuneration of Key Management Personnel for the 18 month period was £561,712 (2015: for the year £358,285). On a monthly basis this was equivalent to £31,206 per month in the 18 month period (2015: £29,857 per month).

The Senior Management Team are employed on joint contracts of service. For accounting purposes their time is split between general management activities (30%) and work on the affairs of individual homes 70%. This 70% is recharged to the individual operating charity homes and schemes on the number of residents at each home or scheme. The management time was charged to APFS 1807 (Formerly Pilgrims' Friends Society) up to 31 March 2016 and following the transfer of Head Office functions from APFS 1807 to Pilgrim Friends Society, to Pilgrims' Friend Society.

During the year, ex-gratia payments of £15,780 (2015: £20,000) were awarded to employees by the trustees in connection with the ending of their period of service with the Society.

APFS 1807

NOTES TO THE ACCOUNTS FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

9. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £15,000 due to the fund at the period end (2015: £14,000).

10. TANGIBLE FIXED ASSETS

Group:

	<i>Freehold properties £000</i>	<i>Assets under construction £000</i>	<i>Furniture, fittings and equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost or valuation					
As at 1st April 2015	28,904	14	1,371	8	30,297
Additions	1,328	-	403	82	1,813
Disposals	(71)	(14)	(315)	(40)	(440)
As at 30th September 2016	30,161	-	1,459	50	31,670
Depreciation					
As at 1st April 2015	3,839	-	409	(16)	4,232
Charge for the year	915	-	308	55	1,278
Released on disposals	163	-	(219)	(39)	(95)
As at 30th September 2016	4,917	-	498	-	5,415
Net book value					
As at 30th September 2016	25,244	-	961	50	26,255
As at 31st March 2015	25,065	14	962	24	26,065

Company:

	<i>Freehold properties £000</i>	<i>Furniture, fittings and equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
Cost or valuation				
As at 1st April 2015	-	220	40	260
Additions	2,974	53	63	3,090
Disposals	(2,974)	(273)	(103)	(3,350)
As at 30th September 2016	-	-	-	-
Depreciation				
As at 1st April 2015	-	124	16	140
Charge for the year	-	47	47	94
Released on disposals	-	(171)	(63)	(234)
As at 30th September 2016	-	-	-	-
Net book value				
As at 30th September 2016	-	-	-	-
As at 31st March 2015	-	96	24	120

Note: All of the fixed assets owned by APFS 1807 were transferred to Pilgrims Friend Society on 28 April 2016

APFS 1807
**NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016**

11. INVESTMENTS

<i>Group:</i>	<i>Listed investments £000</i>	<i>Unlisted investments £000</i>	<i>Total £000</i>
Valuation			
As at 1st April 2015	1,552	2	1,554
Additions	305	-	305
Disposals	(296)	-	(296)
Revaluation	135	-	135
	<hr/>	<hr/>	<hr/>
As at 30th September 2016	1,696	2	1,698
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Held by:			
General	1,244	2	1,246
Restricted	452	-	452
	<hr/>	<hr/>	<hr/>
	1,696	2	1,698
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Historic cost:			
As at 30th September 2016	1,504	2	1,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company:			
	<i>Listed investments £000</i>	<i>Unlisted investments £000</i>	<i>Total £000</i>
Valuation			
As at 1st April 2015	-	79	79
Additions	-	-	-
Disposals	-	(45)	(45)
Revaluation	-	(34)	(34)
	<hr/>	<hr/>	<hr/>
As at 30th September 2016	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12. STOCK

<i>Group:</i>	<i>Total 2016 £000</i>	<i>Total 2015 £000</i>
Stock of leasehold flats held for resale	649	1,179
Stock of books	13	-
	<hr/>	<hr/>
	662	1,179
	<hr/> <hr/>	<hr/> <hr/>

At the year end the group held five flats for sale (2015 nine flats)

APFS 1807

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

13. DEBTORS AND PREPAYMENTS

	<i>As at 30th September 2016</i>		<i>As at 31st March 2015</i>	
	<i>Group £000</i>	<i>Company £000</i>	<i>Group £000</i>	<i>Company £000</i>
Arrears of local authority and residents' contributions	175	-	107	-
Amounts due from group entities	-	-	-	130
Amounts owed from Pilgrim Gardens service charge	-	-	12	12
Other debtors and prepayments	295	-	897	736
	<u>470</u>	<u>-</u>	<u>1,016</u>	<u>878</u>

Note: All of the debtors due to APFS 1807 was transferred to Pilgrims Friend Society on 28 April 2016

14. CREDITORS: amounts falling due within one year

	<i>As at 30th September 2016</i>		<i>As at 31st March 2015</i>	
	<i>Group £000</i>	<i>Company £000</i>	<i>Group £000</i>	<i>Company £000</i>
Residents' contributions in advance	7	-	16	-
Short term loans	-	-	7	-
Trade creditors	285	-	404	64
Taxation and social security	110	-	10	-
Amounts due to group entities	-	-	-	1,797
Amounts owed to Royd Court service charge	-	-	104	(26)
Other creditors	360	-	475	5
	<u>762</u>	<u>-</u>	<u>1,016</u>	<u>1,840</u>

Note: All of the creditors due by APFS 1807 were transferred to Pilgrims Friend Society on 28 April 2016

15. ANALYSIS OF NET ASSETS BY FUND

	<i>General Funds £000</i>	<i>Designated Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total £000</i>
Fixed assets				
Tangible	11,436	14,819	-	26,255
Investments		1,246	452	1,698
Current assets	2,583	1,198	2,718	6,499
Current liabilities	(762)	-	-	(762)
As at 30th September 2016	<u>13,257</u>	<u>17,263</u>	<u>3,170</u>	<u>33,690</u>
		See note 16	See note 17	

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

16. DESIGNATED FUNDS

	<i>Brought forward at 1st April 2015 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Revaluations and transfers £000</i>	<i>Carried forward at 30th September £000</i>
Operational Risk Reserve	1,030	-	-	-	1,030
Futures Fund	-	-	-	650	650
Operational Assets Equity Fund	13,900	-	-	-	13,900
Ernest Luff Building Reserve	362	-	-	(362)	-
Ernest Luff Capital Reserve	919	-	-	-	919
Watford Almshouse Designated Fund	734	3	-	27	764
	<u>16,945</u>	<u>3</u>	<u>-</u>	<u>315</u>	<u>17,263</u>

Operational Risk Reserve

This fund consists of funds required to ensure the continuity of care in the event of a major disruption to the operation of the charity.

Operational Assets Equity Fund

Established by the trustee to reflect the value of fixed assets, principally the properties owned by Pilgrim Homes which would not be capable of disposal without affecting the ongoing work of the charity.

Ernest Luff Building Reserve

The building reserve was established to accumulate the necessary funds to provide for the continued improvement, re-building and expansion of the buildings comprising the Ernest Luff Homes. This fund was utilised in the year towards the cost of the renovation of Luff House.

Ernest Luff Capital Reserve

The capital reserve fund was created on that charity's conversion to a limited company.

Watford Almshouses Designated Fund

This Fund was established to set aside funds received into the General Fund for work in the Watford area following the closure of the Watford Almshouses Endowment Fund.

Futures Fund

Futures Fund: The charities' plan for 2016/17 envisages that over the next five years the group of charities will close some of their properties which do not meet current standards and provide better quality alternative accommodation. The trustees have agreed to designate all legacies received over £100,000 to this fund, which would then be available to meet the costs of redeveloping the properties owned by the charity. Since the date of this agreement one legacy of £650,000 has been received and credited to this fund.

17. RESTRICTED FUNDS

	<i>Brought forward at 1st April 2015 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Revaluations and transfers £000</i>	<i>Carried forward at 30th September £000</i>
St Albans Home	430	3	-	-	433
Lucy McNeil Home	1,736	84	-	-	1,820
West of England	108	1	-	-	109
EMI Fund	57	-	-	(57)	-
Watford	496	-	-	-	496
NYCC Grant	-	-	-	1	1
Outlook Fund	-	28	(10)	-	18
Homes Voluntary Support Funds - see next page	249	97	(7)	(92)	247
Evington Building Appeal	90	-	-	(89)	1
Local Homes Project Funds	-	25	(3)	-	22
Dementia Fund	-	33	(10)	-	23
Hewitt House Fund	31	-	-	(31)	-
	<u>3,197</u>	<u>271</u>	<u>(30)</u>	<u>(268)</u>	<u>3,170</u>

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

17. RESTRICTED FUNDS (continued)*St Albans, Lucy McNeil and West of England Home Funds*

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

EMI Fund

This fund has been established for the purpose of building a home, or a unit within a home, designed to provide care for elderly mentally infirm residents. During the year this fund has been used to fund a pilot project developing enhanced care for people with dementia in two of the charities homes.

Watford

During 2004 the Society became responsible for the management of the various funds which constitute the Watford Tabernacle Almshouse Trust. The site has been sold with the remaining two residents being found suitable local accommodation. The remaining funds are held in a restricted fund for future development work locally by the Society.

NYCC grant (Emmaus)

This relates to £2,250 received from NYCC in the year ended 31 December 2007 for the purchase of the Conservatory Heating and a Hospital Bed and Mattress. The grant is being released at the same rate as the depreciation of the assets to which it relates, i.e 15% reducing balance basis. Therefore the deduction is the brought forward amount multiplied by 15%.

Outlook Fund

This represents a donation received from the Outlook Trust for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report.

Local Homes Project Funds

These represent the amounts raised and also spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Hewitt House Fund

The Hewitt House fund was established to receive a donation from the Frinton and Walton District Old People's Welfare Association (Age Concern) to Ernest Luff Homes (now Pilgrims' Friend Society) for the purpose of building, maintaining and operating a Day Care Centre for the Residents of Frinton and Walton. Following the closure of the Hewitt House Day Centre the remaining funds held were utilised (with the agreement of Age UK - the successor to Age Concern) to assist in defraying the cost (£160,000) of a room available for community use on part of the Luff site at Walton-on-the-Naze.

Homes Voluntary Support Fund:

	<i>Brought forward at 1st April 2015 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Revaluations and transfers £000</i>	<i>Carried forward at 30th September 2016 £000</i>
Brighton	3	5	-	(7)	1
Chippenham	17	8	-	(5)	20
Great Finborough	164	18	-	(37)	145
Evington	5	13	-	16	34
Tunbridge Wells	44	9	-	(52)	1
Wantage	6	23	-	(7)	22
Shottermill	-	5	-	(3)	2
Bedford	-	2	-	2	4
Ernest Luff Care	-	7	(4)	1	4
Bethany	-	2	-	-	2
Emmaus House	10	4	(2)	-	12
Florence House	-	1	(1)	-	-
	<u>249</u>	<u>97</u>	<u>(7)</u>	<u>(92)</u>	<u>247</u>

Homes Voluntary support funds represents donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event that a home makes a trading loss in a financial year, to reduce the loss sustained.

NOTES TO THE ACCOUNTS
FOR THE 18 MONTH PERIOD ENDED 30TH SEPTEMBER 2016

18. RELATED PARTY TRANSACTIONS

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements.

19. OPERATING LEASE COMMITMENTS

At 30th September 2016 the total remaining commitments payable by the charity on operating leases were as follows:

	As at 30th September 2016			As at 31st March 2015		
	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> £000	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> £000
Within one year	17	8	25	17	18	35
Between two and five years	-	5	5	-	23	23
After five years	-	-	-	-	-	-
	<u>17</u>	<u>13</u>	<u>30</u>	<u>17</u>	<u>41</u>	<u>58</u>

The amount paid during the period on operating leases was as follows:

	18 months to 30th September 2016			12 months to 31st March 2015		
	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> <i>Other</i>	<i>Land and buildings</i> £000	<i>Other</i> £000	<i>Total</i> £000
	<u>101</u>	<u>26</u>	<u>127</u>	<u>67</u>	<u>18</u>	<u>85</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,437. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to

20. LIFE TENANCY

In 2012 the charity was notified of a legacy which included a share of a freehold property, which is subject to a life tenancy. The conditions for recognition of this income have not been met and therefore this legacy is not included as income in the accounts. The estimated value of the

21. POST BALANCE SHEET EVENTS

The Anna Victoria Nursing Home was sold for £1,180,000 in December 2016 and solicitors were instructed to commence winding up the affairs of the subsidiary charity that held this property.

