



# ANNUAL REPORT 2018

Registered Charity No: 1108428 Company No: 05324279

**SJÖG**  
Hospitaller Services





[SJOG.UK](http://SJOG.UK)



Saint Bede's House, Morton Park Way, Darlington DL1 4XZ



01325 373700



[enquiries@sjog.org.uk](mailto:enquiries@sjog.org.uk)

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# A WORD FROM THE CHAIR OF TRUSTEES

It is customary to share, events, developments, challenges, and the ups and downs of the previous year by way of an Annual Report. This is meant to be a reflective, yet a factual document, the type of document that one could leaf through while having a cup of coffee or tea - as the case may be! The Annual Report is one way of show-casing what SJOG does, the things that we are proud of, and it is a way of showing accountability for the resources that we have received.

This Annual Report displays some of the highlights of the past period and some of the personalities that played a role in making them happen and those who live in and or attend the services. Recognition and appreciation is expressed to our many supporters, benefactors, volunteers and friends without whose help and support we could do very little. Together we have been able to make a real difference in the lives of the people we serve.

Attention is also drawn to some of challenges that we have had to face. We are reminded of some of the things that have caused us some sadness including people who have left us. We remember all of these with abiding affection, gratitude and admiration.

This is an important year in the life of the Hospitaller Family of Saint John of God. In 1539, that is 480 years ago, John Ciudad began a movement that has lasted to this day. John Ciudad became known in his own day as John of God, a name given to him by the people of Granada. John was an extraordinary man, at a time in his life when he was homeless, friendless and penniless he began his 'hospitality movement', a movement that has spread throughout the world.



**BROTHER DONATUS FORKAN, O.H.**  
PROVINCIAL/ CHAIR OF THE SJOG BOARD

What was unique and central to the John of God movement was that it placed humanity at its centre. The individual is surrounded by a chorus of love that gives dignity and brings healing and hope to the individual. The music of hospitality vibrated from the streets and reached into the homes of the people of Granada. Most importantly it entered into the hearts and lives of the citizens of Granada and people became so transfixed and captivated by John's movement that it impelled them to action. For those who embarked on this journey they found that by doing good to others they were doing good to themselves. The John of God movement or hospitality movement had a transforming effect on all who practised it, as much as on those who were the recipients of this altruistic love poured out upon them. When we are L O V E D – living our values every day, we will ourselves be transformed as surely as we make a real difference in the lives of those to whom we minister.

May John continue to inspire all of us and may the gift of hospitality that he has passed on to us like a bright burning torch guide our paths as we journey into the future.

# A WORD FROM THE CHIEF EXECUTIVE



**PAUL BOTT** CHIEF EXECUTIVE

It's an interesting time to join the charity which, it is fair to say, has been through a challenging few years. Whilst the charity has reduced in size it continues to survive and deliver life-changing services due to the continuing financial support of the Brothers of the Hospitaller Order of Saint John of God.

There have been real challenges met by the interim Chief Executive Martin Jesper, and we

will benefit from the work that he progressed across 2018 in reducing the costs in the organisation.

I'm still new to the charity having started in the last quarter of 2018, but I have already been impressed by the quality of the interactions between the people who work and volunteer for SJOG and the people that we are here to serve. Within this annual report we have tried to capture a flavour of the work of the organisation.

We've moved quickly in the last quarter of 2018. Supported by the trustees, the organisation underwent a change that saw the establishment of an Executive Management Team, a restructure to the infrastructure of the organisation that will allow us to live within our income, a refocussing of the charity, and a consequent re-branding of the charity.

There is more to be done but we have good people working on the delivery of a good plan.

The coming year, 2019 will be a really important year for the charity, that will see the organisation become more inclusive and more effective in the way that the people who benefit from the services of SJOG inform the way these services are delivered. This will be contained

in a new strategy that will build a mandate on the voices of the people we support, and those who we could support but currently don't.

We'll also spend the coming year continuing with the constructive conversations that we've been having with the funders of adult social care, and health care to improve the financial position of the organisation so that we can continue to be of real benefit today and tomorrow.

Our founder inspired a worldwide movement that has grown over the past 500 years to support over 1 million people every day, and has over 60,000 co-workers in 52 countries.

Whilst the work in the UK is diverse, supporting people with complex physical impairments, people with learning disabilities, older people, people who have been subject to modern day slavery and trafficking, and people who are homeless, it is only a very small window of the worldwide work, but nonetheless it is the local impact of quality interactions between the people that are supported and the 600 staff and volunteers working in SJOG that makes SJOG such a special charity.

**Paul Bott**





# THE REPORT OF THE BOARD OF TRUSTEES

## 1. OBJECTIVES AND ACTIVITIES

SJOG's mission is to follow the example of our founder and meet need wherever we find it.

In the UK we approach that through delivering support through a number of targeted services to meet the needs of people with learning disabilities, older religious communities, complex physical impairments, as well as the social and health care needs of people who are homeless, have been subject to modern day slavery or of trafficking.

We have the goal to meet the needs of more people in future years.

Our business plan sets out a clear plan of how to focus our work on the specific areas where SJOG is best placed to deliver the biggest impact.

We know that to deliver the greatest impact, our work must build on from the programmes that have evidence of working, but we also know from our history that we need to change as the needs of the people we support change, and as society changes.

Our work began more than 500 years ago with our founder St John of God who, having had

personal experience of the care provided to people in asylums, spoke up for the poor and founded a hospital in Granada.

His work inspired work in 52 countries including Australia, Venezuela, Malawi, Korea, Spain, Bolivia, Canada, Spain, Ireland and the UK. Whilst we exist as separate organisations, our 60,000 co-workers supporting 1 million people every day are inspired by the pioneering work of our founder.

While we remain true to our mission the services we deliver are very different from the work undertaken in the 16th century in Granada.

SJOG in the UK is linked to this worldwide community by a common founder, and a link to the Hospitaller Order of Saint John of God, but is a separate and distinct charity registered as both a charity and a company limited by guarantee in England and Wales.

In the UK we are finding new ways to report on the successes of the charity and to highlight the areas that we've not been so successful, so that we can get better at meeting these needs in the future. One area that we need to get better at is sharing best practice and

knowledge and the coming year will see us building on the learning networks that we have recently re-engaged with.

The coming year will also see an increased clarity on the purpose of the charity and the development of a new strategy that is developed with the voices of the people that we are here to support so that we can meet their changing needs, and their changing roles in society.

## STRATEGIC REPORT

### 2. ACHIEVEMENTS AND PERFORMANCE

Our purpose is the relief of poverty, sickness, old age, distress and disabled people in our society.

We believe in the potential of people. That every person has intrinsic value and inherent dignity. We believe that with the right support each and every person can achieve their potential.

We don't have a standard approach at SJOG but provide help and support creatively to people in the way that they want to be helped and supported.



Central to our way of working is a model of pastoral support which takes into account a person's physical, psychological, emotional and spiritual needs. Our policies, processes and practice are based around this model.

The year 2018 can best be summed up as a period of renewal for the charity. We are a smaller charity than we were at the beginning of the year, as we said goodbye to services that we could no longer deliver in the way we wanted to deliver them, and there have been tough decisions to make in a financially challenging year that meant we had to part ways with colleagues who were dedicated to SJOG, so that we can be here tomorrow, to support the people we serve as well as today.

There have been real successes in the delivery of the charity's mission and a recognition of continuing to make great leaps forward in changing people lives, and that's what we are here to do.





# NEW LEVELS OF QUALITY



The levels of quality across SJOG's services is great, but in March, Lindisfarne is the first of our services to achieve an outstanding rating under the new more stringent Care Quality Commission standards. Amanda Ashdown, the service's manager, said, *"We are delighted to have received this outstanding rating. We have a great staff team who work very hard to ensure the people at Lindisfarne get the best possible care and support."*

Debbie Westhead, Deputy Chief Inspector of Adult Social Care in the North said,

"This is a service that provides excellent care. My inspectors commented on how committed the home was to help preserve

the privacy and dignity of people who lived in the home."

Everyone we spoke with praised the passion and commitment of the registered manager. The manager and the team demonstrated strong person-centred values and were committed to providing a first class service. A final word from Craig who lives at Lindisfarne,

"I'm so very proud of the staff team and we couldn't have done it without Amanda. I know that this is an excellent service but it is wonderful to see it in writing from CQC. I am overjoyed!"

# NEW SERVICES

## VINCENT HOUSE, EALING

In September 2018 we were approached by the Integrated Learning Disability Service in Ealing to assist in supporting people living at Vincent House, as the previous provider had withdrawn their support at short notice.

We stepped in to support 6 people in the short term and following a successful tendering process we will continue to provide the service into the future.

Since we have taken on the service, demand has grown and we now provide support to 10 young adults with learning disabilities aged between 19 and 25 years old who are preparing for adulthood and for living more independently.

We support people with daily tasks such as cooking and cleaning, benefits and correspondence, building and maintaining friendship and personal support networks, and maintaining good mental health.

The service is a step on the path to more independent living and we are already seeing young people learning to become more responsible and independent adults.

## INTENSIVE HOUSING MANAGEMENT

In December 2017, Hertfordshire Intensive Housing Management Service was created and our existing maintenance team transferred across to this new service.

Bryn talks about maintenance being the 'eyes and ears' of SJOG. He and Chris do all the jobs that you would expect a maintenance team to do, and over the past six years Bryn has got to know all of the 85 people living in SJOG properties in Enfield and Hertfordshire and contributes to their well-being.

The services in Hertfordshire support people with learning disabilities, with physical impairments and with mental health issues.

Whenever he's in a property, painting, fixing locks or repairing furniture, he's also talking to people and being part of their community of support. He listens to the positive changes and the challenges in people's lives, and where there are concerns he alerts, and works with, SJOG's intensive housing management staff to address these.

For Bryn the task may be putting up a shelf or painting a wall, but his purpose is to make things better for all the people he comes into contact with.





# NEW BRAND AND WEBSITE



NEW WEBSITE HOME PAGE  
[SJOG.UK](http://SJOG.UK)

This year we took some time to review the way that we communicated with the outside world. We developed a new brand and a new website which features our new logo and a new colour palette and most importantly a tone of voice that hopefully makes it easier for people to engage with the website and us by adopting a less formal and more conversational approach that more closely reflects who we are. The brand and the website have been developed alongside improvements to our services and making our systems work better, because

it's important for us to be able to share our successes, better engage people who might like to come to work with us, and give all of our staff the means of talking about what they do and who they work with.

That's important because if we can engage more people in the mission of the charity, then we can build a sustainable and positive future.



We're focussing externally, to build partnerships and engage better with the people who need our support, or who can support us, and being able to communicate who we are and what we do is key to our mission. The re-brand hasn't changed our values. We say in SJOG that the values that you see on the floor of each of our services match the values that you see written on the wall. What the re-brand has captured is that our values of Hospitality, Compassion, Justice, Respect and Trust underline everything that we do in the charity, and this is reflected in our new branding.

- 1 NEW LOGO WITH CORE VALUES
- 2 NEW LOGO REVERSED
- 3 'OUR TONE OF VOICE' PAGE FROM SJOG INTERNAL IDENTITY GUIDELINES

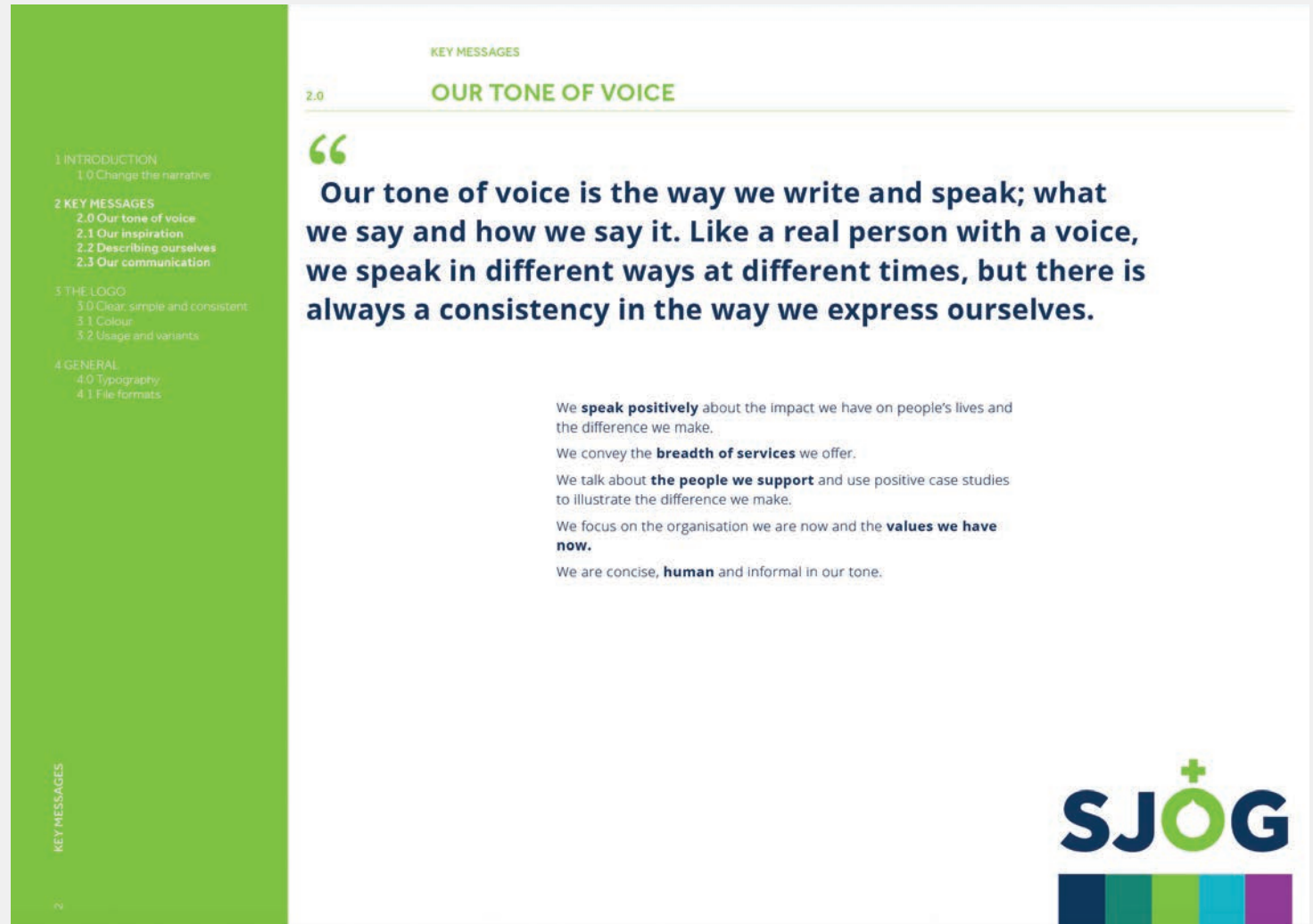
1



2



3



***“For me it was all about getting experience. I tried welding and administration but this role just seemed to fit. I get to go to college every Monday to do an NVQ in Health and Social Care, and SJOG have given me loads of training. It’s been a great experience with a great team.”***

**JONATHAN DAY**

## NEW PEOPLE

Apprenticeships are a great way to attract, train and retain new staff. We created an apprenticeship scheme in conjunction with Darlington College. Rachel Burton joined Lindisfarne Court and Jonathan Day joined Dalby View.

The latter part of 2018 also saw a new senior team join SJOG. Paul Bott, Chief Executive; Leanne Hannan, Chief Finance Officer and Dr Lisa Alcorn, Chief Operating Officer all joined SJOG in the last quarter of the year.

The final member of the senior team Dr Jamie Mackrill, Director of Opportunities joins SJOG in the first quarter of 2019.

The charity also benefits from new skills on the Board with Brian Boggon being appointed as a trustee. Brian is a qualified accountant with 20 years’ experience in a wide range of services in local government, including economic regeneration and children’s services.



**JONATHAN DAY** APPRENTICE



**RACHEL BURTON** APPRENTICE



**PAUL BOTT** CHIEF EXECUTIVE



**LEANNE HANNAN** CHIEF FINANCE OFFICER



**DR LISA ALCORN** CHIEF OPERATING OFFICER



**DR JAMIE MACKRILL** DIRECTOR OF OPPORTUNITIES





## ASHLEY'S STORY

I used to live at Vincent House which gives young adults with learning disabilities the opportunity to prepare for adulthood and develop the skills they need to live more independently.

This year was a big year as I took the next step and moved to a lovely studio apartment in North London.

I'm near to people that I know and I still get support from Vivien and the rest of the team at SJOG, who also supported me at Vincent House.

I like my new independence and the responsibilities that come with this.

Vivien says that I've flourished since being in the flat. I plan my own meals, do my own shopping and cooking and clean up after myself. I like to keep my flat clean and tidy and I do this by myself now.

I also know what to do when things don't work and I quickly report any repairs that might need doing in my flat.

I still need help with some things and I'm working on how to do all of my laundry and ironing. I'm learning how to use the washing machine so that I can do my own laundry without support.







### BOBBY'S STORY

My name is Bobby. It's good to meet you, now let me tell you about me and my journey. I lived at home with my mam, dad and two sisters. My sisters got married and moved on, and it was just me and my mam and dad.

A few years ago my mam and dad decided to get some extra help with my care. Then my mam passed away, and then it was just me and my dad, so he got more help. My dad's health isn't great, so there was a big decision for me to make, I needed to move away from my family home. It is with great pride that I can say that I live in a Supported Living Service in Scorton, North Yorkshire and WOW! It's great. I'm having a whale of a time, my bedroom is huge and I have everything I need. I like a giggle and it's a good job the support staff do too. I'm really happy and my family are overjoyed that I've settled in so well and that I am well cared for.

Well that's my story, so bye for now. Ta Ta!





### 3. FINANCIAL REVIEW

Financially, 2018 was another challenging year for the charity, with a decline in the number of services and an end of year that is flattered by the generous donation from the Hospitaller Order of Saint John of God.

During the year Martin Jesper as Interim Chief Executive started to address the gap between organisational expenditure and organisational income, a piece of work that has been accelerated by the new executive team.

Whilst it is recognised that the current public sector funding environment is challenging and is expected to be so for the foreseeable future, there has been an accelerated focus both on increasing income and decreasing operational costs since the arrival of the new executive team who are working to a balanced operational budget for 2019.

The charity has an appetite to be of more use to people and an investment in generating new models of service and in generating more voluntary income in 2019 is also planned. This should ensure that SJOG stems the reduction in services and expands its reach in 2019.

Our total income decreased this year to £17.6 million (2017: £18.1 million) as shown in the Statement of Financial Activities on page 48. The decrease is explained through the reduction in services provided. There was also a reduction in expenditure from £17.9 million in 2017 to £17.6 million in 2018. Net assets reduced to £137k (2017: £181k).

#### KEY PERFORMANCE INDICATORS

Historically, the Charity has predominantly managed performance through preparation and review of monthly management accounts, cash flow forecasting and operational reporting from managers.

Going forward, following recruitment of the new EMT and revision of the strategy for the Charity, a suite of KPIs is under development which will monitor performance across the organisation, including HR, Financial and Operational measures. These measures are aligned with the ten key areas of focus for the Charity as set out in the Business Plan. Planned improvements to systems and use of IT across the organisation will improve the quantity and quality of information which is readily available.





#### 4. RESERVES AND END OF YEAR POSITION

Total reserves as at 31 December 2018 were £0.137m (2017: £0.181m). Of these £0.087m are unrestricted (2017: £0.222m) and £0.05m were restricted (2017: £-0.41m).

The trustees are responsible for ensuring that the charity holds a prudent level of reserves so that we can continue to be of benefit today and in the future.

The trustees plan to build reserves equivalent to two months of SJOG's operating costs, equal to £2.9m. The trustees consider this necessary for day to day working capital and to cover potential identifiable financial risks in accordance with the Charity Commission's recommendations and guidance.

The trustees recognise that there is a shortfall in reserves, and work has begun in the year to improve the reserves position of the charity with a donation from the Hospitaller Order of Saint John of God and the diversification of income streams.

#### 5. INVESTMENTS

Whilst the charity has £0.005 million in investments, invested in ethical ways through HSBC Global Asset Management the sum is too small to make a real contribution to the charity. The charity disposed of £2k of investments during the year.

The intention in 2019 is to transfer these investments into cash.

## 6. PLANS FOR 2019

In the coming year we aim to demonstrate that we are:

- A well run charity that is true to its values
- A charity that is ambitious to be of more help to more people
- A charity that is faithful to the inspiration of our founder

We'll achieve this by focusing on our five core values of Hospitality, Compassion, Justice, Respect and Trust and in the coming year we will be focussing on making sure that Live Our Values Every Day.

The LOVED programme is being created to ensure that we don't just talk about the importance of our values but we embed them and embody them.

The programme is deliberately broad. It involves offering support to staff, so that they can show themselves and their colleagues with hospitality and compassion, taking better care of their mental health and supporting their physical well-being.

We are devolving responsibility in the organisation to our services. All of the 540 people who work at SJOG are competent and capable adults who manage their own lives. We will trust them with increased responsibility for decision making, and support them with better information and better tools.











This coming year will see the charity renew its strategic plan, and the trustees have agreed a process for this.

Work will begin to embed and respect the views of the people who live in and work in the communities that we are here to serve. This approach to 'enabling voices' will drive the development of the new strategy.

Within SJOG, justice equates with fairness. We will be working to create a fairer organisation and we will start with the Board of Trustees.

Because the charity has grown from a religious order of Brothers the board is not diverse. In the coming year we will aim to recruit new trustees that increase the diversity of the board, and bring skills in finance and quality assurance.

We will create a new advisory group of people that use SJOG's services to review and comment on all matters that go to the Board of Trustees, so that their voices can be heard.

In an organisation that is also 86% female we will report on our gender pay gap and also on the ethnic pay gap. We will work to become even more representative of the communities that we serve.

We are a disability confident employer and we will work to become a more attractive employer for disabled people, to ensure that we increase the number of disabled people applying for roles in the charity, being interviewed for roles in the charity and being employed by the charity.

Our policies ensure that full and fair consideration is given to applications made by disabled persons, having regard to their particular aptitudes and abilities.

We work to ensure that those who become disabled whilst in our employment are appropriately trained and supported to continue in employment and to develop and progress.







## GROWTH

The organisation, like many charities, has had a difficult few years which has seen the charity shrink.

There are opportunities for SJOG to be of more benefit to more people and this coming year will see the charity grow the number of its services.

Initially, this work will concentrate on increasing the number of services provided in partnership with religious communities, and in developing new services that support people who are homeless and have been subject to modern day slavery.

Discussions have begun with partners, and should start to deliver in the second quarter of 2019.

## FUNDRAISING

SJOG has been a charity that delivers services primarily funded through health and local authority funding. Whilst we have benefited from the generosity of a large number of organisations and companies this year we have not actively raised funds.

We know that there is more to do, and that there are people who could benefit from the services that SJOG offers now, and services that could be offered if we had more resources.

Consequently, the charity will start to actively fundraising to support services in the UK.



## NEW OPPORTUNITIES

We believe in our 540 colleagues' ability to provide the best possible care and support to the people that we are here to serve. We also know that they strive every day to deliver better outcomes than they did the day before.

We are investing in a new Opportunities Director to support our colleagues to share their ideas and creativity, and to take these ideas through to implementation with the aim of using all of the skills of all of the people at SJOG to make us better.

## OUTCOME REPORTING

In the coming year we will improve our back office systems to better capture the outcomes of the support and care that is offered across the charity to each and every person we support.

This will require a significant investment by the organisation, both financially and also in the time that will be dedicated to this transformative programme.

## QUALITY

The quality of the interactions between the people who use our services and the staff and volunteers in SJOG is second to none, and whilst the quality ratings provided by our regulators demonstrate that our services are very caring, they do not necessarily reflect the quality of everything that we do.

In 2019 we will focus on improving quality scores and ratings from the Care Quality Commission in our regulated services.











## 7. PRINCIPLE RISKS AND UNCERTAINTIES

The Board of Trustees has the ultimate responsibility for ensuring that risks are managed effectively and positively, and that there are systems of internal control within SJOG to manage and mitigate the major risks that we face in the pursuit of our strategic objectives.

The charity has a corporate risk register which details the 13 key risks to the organisation and its ability to deliver its strategic objectives. This is reviewed and updated monthly by the Executive Team and reported to the Finance, Audit and Risk Committee on a monthly basis. The risk register also forms a standing agenda item on the quarterly Board of Trustees meeting.

The Finance, Audit and Risk Committee approves the annual audit plan.

Quality assurance audits are taken across the organisation by the dedicated Health and Safety Manager in conjunction with senior operational staff.

A scheme of delegation that details the responsibilities and the financial constraints on budget holders and senior managers is in place and reviewed regularly.

A whistle-blowing policy is in place, which is communicated to, and accessible by, all employees and volunteers. All whistle-blowing cases are independently reviewed, with an investigation and reporting to trustees.

The four principal risks to the successful delivery of SJOG's strategic objectives are:

	1	2	3	4
PRINCIPLE RISKS	<b>MAINTAINING QUALITY</b>	<b>MAINTAINING FINANCIAL SUSTAINABILITY</b>	<b>PEOPLE</b>	<b>SYSTEMS AND INFRASTRUCTURE</b>
WHAT THE RISK MEANS TO SJOG	The well-being, safety and progress of the people we are here to serve might be affected if we don't attain the very high standards we set ourselves.	If our expenditure exceeds our income, then we will not be in a position to support people in the future. Our income and our expenditure flows differently and so we need to maintain a level of working capital. We have limited reserves.	We need to build on the genius of our people, ensuring that they are valued so that we can retain and recruit good people in a competitive market.	We need to have IT systems that help us spend less time on administration and more on supporting the people we serve. We need to keep our data secure and the data of people who have entrusted us with it.
HOW WE MANAGE THE RISK	We ensure that we have staff who are skilled and well trained. We support them with clear processes and systems. We have a quality assurance process that checks these are working properly.	We continuously forecast our cash-flow. We have introduced an effective budgeting process. Under a new team we monitor budgets carefully. We have developed our relationships with commissioners to ensure that income levels are appropriate for the level of support provided.	We are improving the way we engage with our colleagues, listening better to their ideas and challenges. Recruitment processes have been reviewed and we have launched LOVED. We benchmark our pay and benefits across the sector.	We have a significant programme of improving our IT with investment planned for 2019 to provide an integrated back office system that will upgrade our systems, comply with government penetration tests and has GDPR compliance built in.

## 8. GOING CONCERN

SJOG is well placed to manage the business risks we face.

We have benefited from the work undertaken in 2018 led by Martin Jesper to reduce the cost base of the organisation.

The new management team that came into place in the final quarter undertook a restructure to further reduce the cost base of the charity, and work started on improving the cash flow of the charity through negotiation with funders about sensible levels of funding for the services provided.

The charity also benefited from the continued support of the Hospitaller Order of Saint John of God who once again donated £1.543m, and agreed a further investment in the charity in 2019 of £1.6m to improve the IT infrastructure in the organisation, close off historic liabilities, and invest in the fabric of the services and offices that SJOG use for the delivery of its mission.

Considering all the above, the trustees believe that SJOG has adequate resources to continue operating successfully for the foreseeable future, and so should continue to adopt the going concern basis in preparing the annual report and the financial statements. We believe that there are no known, measurable material uncertainties that call into doubt the ability of SJOG to continue as a going concern.

The improved financial monitoring and management introduced

at the start of 2019, our planning processes, and financial projections take into account the current economic climate and whilst the effect of the UK's departure from the European Union may impact on our ability to access future funds from Europe, this is not a current source of income.

The charity has no pension deficits nor any known long term liabilities.



## TRUSTEES

William Forkan	Chair of Trustees
Robert Moore	
Anthony Moore	
Niall Brannigan	
Gerald Kidd	
Michael Francis	
Brian Boggon	Appointed 23rd July 2018
John Pepper	Resigned 9 Jan 2018

## KEY PERSONNEL

Paul Bott	Chief Executive (from 1 Oct 2018)
Martin Jesper	Interim Chief Executive (to Nov 2018)
Leanne Hannan	Chief Finance Officer (from 5 Nov 2018)
Dr Lisa Alcorn	Chief Operating Officer (from 17 Dec 2018)
Dr Jamie Mackrill	Director of Opportunities (from 11 Mar 2019)
Lesley Robinson	Head of Pastoral Care
Kay Taylor	Head of Corporate Services (to Oct 2018)
Pat Cowley	Head of Service Transformation (to Jan 2019)

## PRINCIPLE ADDRESS

St Bedes House  
Morton Park  
Darlington  
County Durham  
DL1 4XZ

## AUDITORS

RSM UK Audit LLP  
1 St James Gate  
Newcastle Upon Tyne  
NE1 4AD

## SOLICITORS

Womble Bond Dickinson  
St Ann's Wharf  
112 Quayside  
Newcastle Upon Tyne  
NE1 3DX

## BANKERS

Barclays Bank  
31 High Row  
Darlington  
DL3 7QS

## CHARITY NUMBER

1108428

## COMPANY NUMBER

05324279

## 9. STRUCTURE GOVERNANCE AND MANAGEMENT

SJOG is the trading name of Saint John of God Hospitaller Services.

SJOG operates throughout the UK and is a charity registered in England and Wales (Charity Commission registration number 1108428 a company limited by guarantee (registered in England, company number 05324279).)

It is governed by its Articles of Association, last reviewed and revised in 2010. The Articles of Association set out the charitable purposes for public benefit in the following terms:

The relief of poverty, sickness, old age, distress and disabled persons.

To further the charitable purpose for the time being of Hospitaller Order of Saint John of God Charitable Trust

The Board of Trustees are the charity's trustees and the legal directors of the company. Members of the Board of Trustees serve a three-year term, after which they are eligible for re appointment.

The Board of Trustees can consist of up to nine trustees and met formally four times between January 2018 and December 2018.

All meetings were quorate and no member was absent for more than two meetings.

There are three committees; Finance, Audit and Risk, Quality Safety and Risk, and Governance.

The charity's governance is kept under review by the Governance Committee to ensure that the Board of Trustees, its committees and governance structures and procedures are fit for purpose as the organisation and the environment evolves. SJOG abides by the Charity Governance Code, which sets the principles and recommended practice for good governance.

### RECRUITING

New trustees are selected through an open recruitment process, which generally includes advertising nationally and a targeted recruitment search.

### TRUSTEE INDUCTION AND TRAINING

New trustees have a six stage induction programme to ensure familiarity with the charity's services and policies.

The induction covers trustees' legal obligations under charity and company law; the Charity Commission guidance on public benefit, and the content of the charity's Memorandum and Articles of Association.

Induction also offers the opportunity to meet with key employees, explore committee and decision-making processes and explore the importance of pastoral care within the charity.

As well as the development of the Board through the gentle ministrations of the Governance Committee, all trustees are offered external training opportunities to enable them to develop in their governance role.

## DELEGATION

The trustees delegate the day-to-day management, the delivery of the strategy and overall leadership of the charity to the Chief Executive and a team of directors. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

## REMUNERATION

None of the trustees receive remuneration or other benefit from the charity for serving as trustees.

Any connection between a trustee or senior manager of the charity and a related party must be disclosed to the full Board of Trustees.

Conflicts of interests are monitored through a register of interests and declarations at each trustee meeting.

Details of directors' expenses (trustees) and related party transactions are disclosed in note 11 to the accounts.

## PAY POLICY AND SENIOR STAFF

As a charitable company SJOG believes it is important to be transparent about the pay levels of senior colleagues and how their remuneration is set.

The pay of the senior staff is reviewed annually by a remuneration committee of trustees using the charity's process and benchmarked against similar roles in other charities.

All senior staff receive ongoing performance management and an annual feedback report and appraisal. This provides feedback from the Chief Executive, and their teams about how they have contributed to the achievement of our strategy and any personal development areas they may have.

## 10. FUNDRAISING

SJOG does not undertake any fundraising activity currently although we do continue to benefit from long term supporters of the charity who continue to support us through their continuing direct debits.

We are members of the Fundraising Regulator and the Institute of Fundraising. Over the course of this financial year we received no complaints about our fundraising, though we continue to be committed to addressing any concerns or complaints we do receive.

## 11. RELATIONSHIP WITH THE HOSPITALLER ORDER OF SAINT JOHN OF GOD

SJOG is a separate and distinct charity from the Hospitaller Order of Saint John of God, and yet the two charities are connected, through shared trustees, through a shared purpose and through a shared heritage.

The charity has benefited from the financial generosity of the Hospitaller Order of Saint John of God over the past years, and this year the charity is once more dependent on the Order for continued funding.

A balanced operating budget has been put in place for 2019, which will reduce the financial dependence on the Order and build a financially sustainable future.

We are very grateful for the tremendous support and tremendous encouragement that we receive from the Brothers.





## 12. BOARD OF TRUSTEES

The governing body of the charity is the board of trustees. Our trustees make sure the charity is running well and doing what it was set up to do, particularly in relation to charity and company law. The trustees meet formally on a quarterly basis during which time they consider and act upon the recommendations made through the Chief Executive. The trustees ensure delivery of the charity's objectives, set the strategic direction and uphold the charity's values.

### **BROTHER DONATUS FORKAN - CHAIR OF TRUSTEES**

Brother Donatus is the provincial of the Hospitaller Order of Saint John of God - Western European Province. He has been a Brother of the Order for nearly 60 years, a psychiatric nurse and has a wealth of experience in international health and social care services. Brother Donatus was notably the prior general of the Order for a six-year term based in Rome.

### **BROTHER ROBERT MOORE**

Brother Robert is a priest and Brother of the Hospitaller Order. He has held several leadership positions during his vocation as a Brother. He graduated as a chartered physiotherapist, with further qualifications in rehabilitation, a BA (Hons) in ethics, law and health and an MA in bioethics and health care.

### **BROTHER MICHAEL FRANCIS**

Brother Michael is a priest and Brother of the Hospitaller Order. On joining the Order, he trained as a learning disability nurse and worked in the Order's services. Brother Michael has held a number of roles during his five decades of profession and is currently a chaplain based within the services in Dublin.

### **BROTHER MALACHY BRANNIGAN**

Brother Malachy has been a Brother of the Hospitaller Order for over 50 years and was a primary school teacher and school principal in Ireland holding a diploma in special education. He has worked in the Order's services in Ireland and the USA. He is currently based in Olallo Services in London.

### **MR TONY MOORE**

Tony qualified as registered nurse and has over 47 years of experience in the field of nursing and social care. He has held a number of leadership roles including director of nursing - learning disabilities, head of services - social care and head of strategic commissioning for learning disabilities and mental health.

### **GERALD KIDD**

Gerald is a solicitor with over 25 years' experience, advising charities and other not-for-profit organisations about charity law and governance. A number of these organisations have been involved in the health and social care sector.

### **MR BRIAN BOGGON**

Brian is a qualified accountant with 20 years' experience at assistant director level in a wide range of services in local government, including economic regeneration and children's services.

### 13. GENDER PAY GAP REPORTING

Following the requirement for all organisations with more than 250 employees to report on their gender pay gap, we published our results this year.

The difference between the amounts of money women earn and the amounts of money men earn is called the gender pay gap.

SJOG has a small gender pay gap of mean (average) 1.66% and median (mid-point) 7.6%.

This means that overall men who work for SJOG earn on average 1.66% more than women.

The gap is slightly bigger for people in higher paid roles and on average women earn 14.2% less than men within this quartile. This group includes some of our front line management roles and our executive team.

As already stated one of our key values is justice, and we have indicated that we are driving towards both a fairer organisation and a fairer society. As a result, we are dedicating time to understand why we have a gender pay gap and will ask our colleagues to help us think about how we can improve as part of the 'enabling voices' initiative.

We will also be reviewing our family friendly policies and seeing how these impact on development and promotion opportunities.

This is particularly important for the charity as 86% of the 540 people working in the charity are female.

### 14. AUDITORS

In accordance with section 487 of the Companies Act 2006, RSM UK Audit LLP will be deemed to be reappointed as auditors at the Annual General Meeting to be held in 2019.

SJOG abides by regulatory requirements and best practice principles regarding auditor independence and rotation.

### 15. EQUALITY, DIVERSITY AND INCLUSION

SJOG's Equal Opportunities Policy states 'We are an equal opportunities employer and welcome applications from people with disabilities. Saint John of God Hospitaller Services is committed to the employment and career development of people with disabilities.'

To demonstrate our commitment, we subscribe to the Department for Work and Pensions 'Positive about Disabled People' scheme and guarantee an interview under the 'Guaranteed Interview Scheme' to anyone with a disability whose application meets the essential criteria of the person specification for the job they are applying for.

We ask candidates if they have any special requirements or if they have anything they would like us to take into consideration when assessing their skills and suitability before the interviews / assessments take place.

Our information is available in accessible formats.

Our Absence policy provides for us to make reasonable adjustments when employees have developed a life-limiting condition during their employment with the charity. Reasonable adjustments made this year include changes to working hours / reduction of working hours, changing shift patterns (to mornings or afternoons, depending upon the employee's needs). We refer employees with ongoing health issues to our occupational health provider for advice in supporting their continuous employment.

Training, career development and promotion is based on ability at SJOG. Reasonable adjustments are made for people with disabilities to ensure that they are included in all opportunities with the charity.

## 16. COMMUNICATING WITH STAFF AND VOLUNTEERS

We've moved in the last quarter of the year to providing weekly updates to all staff from the Chief Executive. These build on the belief that SJOG is a collaborative enterprise between 540 smart adults all trying to make the charity work well, so that we can get better outcomes for the people that we are here to serve.

These updates provide clear information on how the charity is run and how we are doing. The more that everyone understands about what our opportunities and challenges are, the more they can share their ideas about how we can be even better at doing what we do.

The coming year will see the introduction of staff conferences and an opportunity for colleagues to share learning and build on the successes in the charity.

Over the coming years we will develop our communication into conversations with our colleagues, and get better at listening to staff and volunteers, and their views and the views of the people who use SJOG services. This will be supported by the 'enabling voices' initiative, which will build the strategic direction for SJOG.

Developing the strategic direction in this way, not only provides a better strategy that is built upon lived experience, but it also provides a mandate for shaping and developing the organisation to meet the expressed needs of the people we are here to support, and the people directly supporting them.

It demonstrates that we value our staff and volunteers, should improve retention and aims to deliver better outcomes for the people that we are here to serve.

## 17. PUBLIC BENEFIT

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

SJOG's charitable objects are enshrined within its memorandum and articles and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities.

This is achieved primarily through the delivery of services aimed at all those with a learning disability, physical impairment, older religious communities and people who are homeless or have been trafficked or subject to modern day slavery.

This report allows us to show how our charitable funds are spent and the impact and benefits that has on those using our services, as well as the wider impact on society.







## 18. ENVIRONMENT

SJOG doesn't do enough to safeguard the environment, but we have plans to be better in the coming year.

We will reduce its carbon footprint via the following initiatives:

- We will procure better, using national contracts to purchase electricity produced from sustainable, renewable energy sources, resulting in lower carbon emissions.
- We will reduce the energy used. As we replace fittings and equipment the default position will be to purchase the most energy efficient devices. This will apply to everything from industrial washing machines to light bulbs.
- We will ensure that every property is fitted with water and smart electricity meters to help reduce consumption and costs.
- We will be fully compliant with the Energy Savings Opportunity Scheme (ESOS). The aim of the ESOS is to identify opportunities to reduce energy consumption, emissions and costs accordingly.
- We will encourage staff to get on their bike and pay them for work related trips.
- We will use local contractors wherever possible to reduce the impact of transportation.
- We will put in place resources and training, providing staff and volunteers and the people we support with upto date information about environmental issues and impacting positively in the communities where they live and work.
- Wherever possible we try to procure from sustainable sources by ensuring that any suppliers we engage with have appropriate environmental protection measures, and a philosophy that fits with our own.





## 19. MODERN DAY SLAVERY

Through Olallo Services we are working with the Salvation Army to directly support people who have been trafficked or subject to modern day slavery.

We will continue to support those affected, enabling them to have a voice and speak up where we find unethical behaviour that goes against our values.

### EMPLOYMENT

All of our staff are subject to safer recruitment practices. Our number one priority continues to be the safety and security of our staff and the people that we support. Our pre-employment referencing process requires all new staff to provide details of their employment history, and we undertake DBS checks and checks on staff ensuring that they have a right to work in the UK.

### SUPPLY CHAIN

We work with companies to provide everything from food, to office supplies, to our utilities providers. We expect all of our providers to meet international standards of basic human rights, such as the International Labour Conventions and the UN Convention on Human Rights, as well as UK legislation in the form of the Modern Slavery Act 2015.

We would expect all of our providers to ensure that they:

- Must not use child labour (defined as anyone under 15 years of age, or that agreed by local legislation, if this is higher).

- Must not use forced, bonded or compulsory labour – people should be free to choose to work for an employer, and free to leave.
- Must pay their workers a fair living wage.
- Must be paid in money rather than payment in kind.

Where possible we will purchase from suppliers that are members of SEDEX (the Supplier Ethical Data Exchange). Through Sedex suppliers are encouraged to submit information on their working conditions and independent audits straight into a central resource, to show what they have done to protect human rights around the world.

### AWARENESS

SJOG will be delivering a conference and a range of workshops celebrating the work over the past 10 years of Olallo House, with the aim of raising awareness of the issues of modern day slavery, its impact and the growth in the trafficking of people worldwide.



## 20. THANK YOU

The trustees would like to thank the friends of SJOG who have provided donations and support over 2018.

The trustees would also like to thank the volunteers who give their time so generously, and to the companies, organisations and local authorities who have provided gifts in kind, preferential rent and relief from rates with donations of time, of funds and of gifts that help to reduce our expenditure we can do more to support people in need.

Bradford Trident

The Prince's Trust

HACRO for the Care and Resettlement of Offenders

Watling View School

Hertfordshire Constabulary

Duke of Edinburgh Awards Scheme

HCPA – Hertfordshire Care Providers Association

Saracens Sports Foundation

Knightsfield School

Tesco staff Volunteers

Customers of Digswell for their continued support.

Particular thanks go to the 130 supporters who have given and continue to give through regular payments for years and years and years ....

Local Businesses for their support in donating raffle prizes.

The Howard Centre.

ES Discretionary Trust

Nandos

The Salvation Army

Caritas Westminster

Pret Foundation Trust

The Poor Sisters of the Mother of God

Family and Friends of Staff and Volunteers

The Trustee report has been approved by order of the Board of Trustees:



William Forkan

Chair of Trustees

Dated 8 May 2019

## 21. STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of SJOG for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

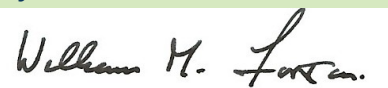
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets

of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees:



**William Forkan**  
Chair of Trustees

Dated **8 May 2019**

## 22. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAINT JOHN OF GOD HOSPITALLER SERVICES

### OPINION

We have audited the financial statements of Saint John of God Hospitaller Services (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### BASIS FOR OPINION

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

### CONCLUSIONS RELATING TO GOING CONCERN

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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### OPINION 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 purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable

company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report 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 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' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial

statements is located on the Financial Reporting Council's website at: <http://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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



CLAIRE LEECE (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne NE1 4AD  
Date: 30 May 2019



## 23. STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b><u>Income from:</u></b>					
Donations and legacies	3	1,825	-	1,825	1,405
Charitable activities	4	11,134	4,504	15,638	16,548
Other trading activities	5	113	-	113	104
Investments	6	-	-	-	2
<b>Total income</b>		<u>13,072</u>	<u>4,504</u>	<u>17,576</u>	<u>18,059</u>
<b><u>Expenditure on:</u></b>					
Raising funds	7	126	-	126	83
Charitable activities	8	13,081	4,413	17,494	17,678
Other		-	-	-	91
<b>Total resources expended</b>		<u>13,207</u>	<u>4,413</u>	<u>17,620</u>	<u>17,852</u>
Net gains on investments	12	-	-	-	(1)
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(135)	91	(44)	206
Total funds brought forward		<u>222</u>	<u>(41)</u>	<u>181</u>	<u>(25)</u>
<b>Total funds carried forward</b>		<u><u>87</u></u>	<u><u>50</u></u>	<u><u>137</u></u>	<u><u>181</u></u>

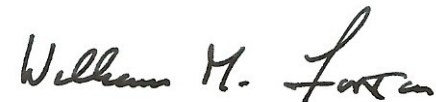
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	13		276		289
Investments	14		5		7
			<u>281</u>		<u>296</u>
<b>Current assets</b>					
Stocks	15	2		2	
Debtors	16	1,276		1,785	
Cash at bank and in hand		1,700		691	
		<u>2,978</u>		<u>2,478</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,122)</u>		<u>(2,593)</u>	
Net current liabilities			(144)		(115)
<b>Total assets less current liabilities</b>			<u>137</u>		<u>181</u>
<b>Income funds</b>					
Restricted funds	19		50		(41)
Unrestricted funds			87		222
			<u>137</u>		<u>181</u>



The financial statements were approved by the board of Trustees and authorised for issue on 08 May 2019 and signed on their behalf by:  
**Registered Charity No: 1108428 Company No: 05324279**

**William Forkan**  
 Chair of Trustee

Date 8 May 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31  
DECEMBER 2018

	Notes	2018 £'000	£'000	2017 £'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		1,101		90
<b>Investing activities</b>					
Purchase of tangible fixed assets		(94)		(51)	
Proceeds on disposal of investments		2		-	
Interest received		-		2	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(92)		(49)
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net increase in cash and cash equivalents</b>			1,009		41
Cash and cash equivalents at beginning of year			691		650
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>          </u> <u>          </u>		<u>          </u> <u>          </u>

## 24. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 ACCOUNTING POLICIES

#### Charity information

Saint John of God Hospitaller Services is a charitable company limited by guarantee and has no share capital. The registered office is Saint Bede's House, Morton Park, Darlington, County Durham, DL1 4XZ.

#### Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

#### Going concern

The trustees have examined the appropriateness of preparing the financial statements on the going concern basis. Cash generation has increased in the year and cash balances remain positive at the year end and with no utilisation of the overdraft facility at the year-end. They have considered the statement of financial activities, balance sheet and cash flow forecast for a period in excess of twelve months from the date of approval of these accounts and having regard to the projected cash requirements of the charity, and support provided by Hospitaller Order of Saint John of God, the trustees believe it is wholly appropriate to continue to prepare the financial statements on a going concern basis.

#### Charitable funds

The charity's unrestricted funds consist of funds that the charity may use for its charitable objectives at the trustee's discretion.

The trustees of the charity may put aside part of the accumulated funds to meet specific future expenditure. As a general principle, these funds were given or raised with projects in mind, but their use is not restricted. The trustees take the view that use of such funds should be designated.

Any income given to the company for a specific purpose has been separately identified so as to ensure that it is spent as the donor dictated.

#### Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income includes:-

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Donations are recognised when receivable.

#### Charitable activities

Grant income: Grant income is recognised when the charity is entitled to receipt.

Religious services: Income is recognised when the service has been delivered.

Care and support packages: Are recognised when the services are delivered or the beds / housing vacancies are occupied or agreed funded voids have crystallised.

#### Raising funds

Consultancy income: Is recognised when the services have been completed and invoiced.

Garden Centre income: All retail income is accounted for when the sale takes place.

Community Centre income: All such income is accounted for on completion of the relevant facility usage.

#### Investment income

Investment income is accounted for on an accruals basis.

#### Donated services

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the Trustees' Annual Report for more information about their contribution.



## 1 ACCOUNTING POLICIES (CONTINUED)

### Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the expenses items to which it relates. Resources expended comprise:-

#### Raising funds

These include salaries and directly attributable overheads.

#### Charitable activities

Includes all direct salaries and other costs incurred in delivering the charity's charitable activity of delivering care services, together with the costs directly associated with the governance of the charity, including legal and regulatory compliance and strategic planning and also an appropriate proportion of the central and regional support costs of the organisation.

#### Other

Garden Centre costs include the costs of goods sold and the direct costs of operating the retail unit. Consultancy costs included the related salary costs

#### Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These represent direct finance, human resources, IT and property service costs incurred by the organisation in carrying out its activities. Allocations of support costs are based on a pro rata of direct expenditure for different activities.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost, or in cases where fixed assets have been donated to the Saint John of God Hospitaller Services, at valuation at the time of acquisition. The charity's policy is only to capitalise items with an individual or collective value (where it is a group of assets) exceeds £1,000.

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	4 to 25 years
Fixtures and fittings	4 to 8 years
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### Fixed asset investments

Quoted investments are valued at the mid-market price at the close of business at the year-end. Unquoted investments are valued by the trustees after taking appropriate professional advice. Unlisted investments are valued at the average of the bid and offer prices or, if the bid price is not available, by adjustment to the offer price. Realised gains on investments are calculated as the difference between the sale proceeds and the carrying value of the investment and included in the SOFA.

#### Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Termination benefits**

As a charity we may be committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Such payments are termination benefits.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date;
- or an employee's decision to accept voluntary redundancy in exchange for those benefits.

Recognition of such payments as a liability and an expense only when it is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

#### **Retirement benefits**

The company makes available a contributory money purchase scheme which all employees can join. This is administered by Scottish Equitable and each person has their own independent pension policy. The charge for the year represents contributions payable in the year.

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 3 DONATIONS AND LEGACIES

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Donations and gifts	1,655	1,405
Legacies receivable	170	-
	<u>1,825</u>	<u>1,405</u>
	<u><u>1,825</u></u>	<u><u>1,405</u></u>
<b>Donations and gifts</b>		
Hospitaller Order of Saint John of God	1,543	880
Hospitaller Order of SJOG Charitable Trust	-	300
Other	112	225
	<u>1,655</u>	<u>1,405</u>
	<u><u>1,655</u></u>	<u><u>1,405</u></u>

4 CHARITABLE ACTIVITIES

	Accommodation and support	Leisure, Education and Occupational Services	Specialist Housing Support	Religious Management Services	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities	4,781	273	5,602	4,982	15,638	16,548
Analysis by fund						
Unrestricted funds	4,781	273	5,602	478	11,134	
Restricted funds	-	-	-	4,504	4,504	
	4,781	273	5,602	4,982	15,638	
<b>For the year ended 31 December 2017</b>						
Unrestricted funds	4,578	242	6,327	507		11,654
Restricted funds	-	-	-	4,894		4,894
	4,578	242	6,327	5,401		16,548



5	OTHER TRADING ACTIVITIES		
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Trading income	113	104
		<u>          </u>	<u>          </u>
6	INVESTMENTS		
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Bank interest	-	2
		<u>          </u>	<u>          </u>
7	RAISING FUNDS		
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Raising funds	90	46
	Staff costs	36	37
		<u>          </u>	<u>          </u>
		126	83
		<u>          </u>	<u>          </u>

8 CHARITABLE ACTIVITIES

	Accommodation and support	Leisure, Education and Occupational Services	Specialist Housing Support	Religious Management Services	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3,560	272	3,867	3,780	11,479	11,336
Depreciation and impairment	28	3	30	-	61	58
Activities directly undertaken	942	102	1,681	729	3,454	3,566
	<u>4,530</u>	<u>377</u>	<u>5,578</u>	<u>4,509</u>	<u>14,994</u>	<u>14,960</u>
Share of support costs (see note 9)	886	40	825	722	2,473	2,676
Share of governance costs (see note 9)	27	-	-	-	27	42
	<u>5,443</u>	<u>417</u>	<u>6,403</u>	<u>5,231</u>	<u>17,494</u>	<u>17,678</u>
<b>Analysis by fund</b>						
Unrestricted funds	5,443	417	6,403	818	13,081	
Restricted funds	-	-	-	4,413	4,413	
	<u>5,443</u>	<u>417</u>	<u>6,403</u>	<u>5,231</u>	<u>17,494</u>	
<b>For the year ended 31 December 2017</b>						
Unrestricted funds	4,867	486	6,461	876		12,690
Restricted funds	-	-	-	4,988		4,988
	<u>4,867</u>	<u>486</u>	<u>6,461</u>	<u>5,864</u>		<u>17,678</u>

## 9 SUPPORT COSTS

	<b>Support costs</b>	<b>Governance costs</b>	<b>2018</b>	<b>2017</b>	<b>Basis of allocation</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Staff costs	1,497	-	1,497	1,821	
Depreciation	8	-	8	17	
Legal and professional	218	-	218	268	Specific allocation
IT	220	-	220	129	Specific allocation
Finance	22	-	22	23	Specific allocation
Property	23	-	23	96	Specific allocation
Exec office	229	-	229	140	Specific allocation
HR	153	-	153	120	Specific allocation
Admin	103	-	103	62	Specific allocation
Governance	-	27	27	42	Governance
	<u>2,473</u>	<u>27</u>	<u>2,500</u>	<u>2,718</u>	
Analysed between					
Charitable activities	<u>2,473</u>	<u>27</u>	<u>2,500</u>	<u>2,718</u>	

Support costs have been allocated to the different charitable activities on the basis of the expenditure incurred for each activity. This is on the basis that it provides the fairest reflection of where the support is given.

Governance costs includes payments to the auditors of £16,000 (2017 - £15,000) for audit fees.

10 NET MOVEMENT IN FUNDS

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	16	15
Fees payable to the company's auditor for other services	3	-
Depreciation of owned tangible fixed assets	69	75
Loss on disposal of tangible fixed assets	38	34
Operating lease charges - land and buildings	1,061	1,141
Operating lease charges - other	84	84
	<u>          </u>	<u>          </u>



**Number of employees**

The average monthly number of employees during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Medical, Nursing and Allied Professions	19	19
Managers, Support Workers and Ancillary Staff	513	553
Executive	1	1
Managers and Other Staff	32	34
	<hr/>	<hr/>
	565	607
	<hr/> <hr/>	<hr/> <hr/>

**Employment costs**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	10,507	10,274
Social security costs	854	745
Other pension costs	219	171
Other staff costs	1,267	1,773
Restructuring costs	165	231
	<hr/>	<hr/>
	13,012	13,194
	<hr/> <hr/>	<hr/> <hr/>

Included in staff restructuring costs are three (2017: two) termination payments which were awarded totalling £15,133 (2017: £188,342), and seventeen (2017: nine) redundancy payments totalling £149,597 (2017: £42,880) in relation to employment matters.

The key management personnel of the charity comprise the Trustees and the key management team. Total employee benefits for the key management personnel were £150,517 (2017: £504,556).

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
£100,000 - £109,999	-	1
£220,000 - £229,999	-	1
	<u>          </u>	<u>          </u>

In the year, there was no employee (2017: 2) earning in excess of £60,000 per annum who participated in the defined contribution pension scheme (see note 25). Contributions of £441 were made in relation to these individuals during the year (2017: £4,484).

No trustee received any remuneration (2017: nil). Expenses were paid to 3 (2017: 2) trustees totalling £687 for travel and subsistence (2017: £1,458).

Excluding the volunteer trustees, the charity had 35 (2017: 25) volunteers helping with our activities. Most of these volunteers contributed on a part-time basis ranging from a few hours per month to 30 hours per week.

## 12 NET GAINS/(LOSSES) ON INVESTMENTS

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Gain/(loss) on investments	-	(1)
	<u>          </u>	<u>          </u>

## 13 TANGIBLE FIXED ASSETS

	<b>Leasehold land and buildings £'000</b>	<b>Fixtures and Motor vehicles fittings £'000</b>	<b>£'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2018	889	1,065	93	2,047
Additions	40	54	-	94
Disposals	(215)	(11)	-	(226)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2018	714	1,108	93	1,915
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>				
At 1 January 2018	695	970	93	1,758
Depreciation charged in the year	24	45	-	69
Eliminated in respect of disposals	(177)	(11)	-	(188)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2018	542	1,004	93	1,639
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
At 31 December 2018	172	104	-	276
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2017	194	95	-	289
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

14 FIXED ASSET INVESTMENTS

	<b>Unlisted investments £'000</b>
<b>Cost or valuation</b>	
At 1 January 2018	7
Disposals	(2)
	<hr/>
At 31 December 2018	5
	<hr/>
<b>Carrying amount</b>	
At 31 December 2018	5
	<hr/> <hr/>
At 31 December 2017	7
	<hr/> <hr/>

15 STOCKS

	<b>2018 £'000</b>	<b>2017 £'000</b>
Finished goods and goods for resale	2	2
	<hr/> <hr/>	<hr/> <hr/>

16 DEBTORS

	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	928	1,292
Other debtors	15	64
Prepayments and accrued income	333	429
	<hr/>	<hr/>
	1,276	1,785
	<hr/> <hr/>	<hr/> <hr/>



## 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Notes</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade creditors		335	152
Other taxation and social security		216	396
Deferred income	<b>18</b>	523	864
Other creditors		822	27
Accruals		1,226	1,154
		<u>3,122</u>	<u>2,593</u>

## 18 DEFERRED INCOME

	<b>2018 £'000</b>	<b>2017 £'000</b>
Balance as at 1 January 2018	864	912
Released from previous years	(761)	(912)
Resources deferred in the year	420	864
	<u>523</u>	<u>864</u>

Deferred income relates to income charged for services in advance of the accounting period.

**For the year ended 31 December 2018:**

	<b>Movement in funds</b>				<b>Balance at 31 December 2018 £'000</b>
	<b>Balance at 1 January 2018 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Revaluations, gains and losses £'000</b>	
<b>Unrestricted funds</b>					
Accumulated fund	222	13,072	(13,207)	-	87
	222	13,072	(13,207)	-	87
<b>Restricted funds</b>					
Religious services	(91)	4,504	(4,413)	-	-
Hospitality	9	-	-	-	9
Gabriel Howard	41	-	-	-	41
Restricted funds	(41)	4,504	(4,413)	-	50
<b>Total funds</b>	181	17,576	(17,620)	-	137

**For the year ended 31 December 2017:**

	Movement in funds				Balance at 31 December 2017 £'000
	Balance at 1 January 2017 £'000	Incoming resources £'000	Resources expended £'000	Revaluations, gains and losses £'000	
<b>Unrestricted funds</b>					
Accumulated fund	(78)	13,165	(12,864)	(1)	222
	<u>(78)</u>	<u>13,165</u>	<u>(12,864)</u>	<u>(1)</u>	<u>222</u>
<b>Restricted funds</b>					
Religious services	3	4,894	(4,988)	-	(91)
Hospitality	9	-	-	-	9
Gabriel Howard	41	-	-	-	41
	<u>53</u>	<u>4,894</u>	<u>(4,988)</u>	<u>-</u>	<u>(41)</u>
<b>Total funds</b>	<u>(25)</u>	<u>18,059</u>	<u>(17,852)</u>	<u>(1)</u>	<u>181</u>

The restricted funds represent segregation of monies held for where the fund provider has specified particular purposes for which the funds are to go, so as to ensure that they are spent as the donor specified. In respect of the deficit in 2017, steps were taken to fully recover the deficit. The funds entitled 'Religious Services' are funds given by specific religious orders in relation to homes managed by Saint John of God Hospitaller Services, to pay for the upkeep of their respective care homes which remained unspent at the period end and will be used in care provision in the year to 31 December 2018.

The Hospitality Fund was inherited at the time the charity was formed and represents a specific fund to assist beneficiaries who encounter personal financial difficulties.

The Gabriel Howard Fund was a specific family bequest to be used to ensure a beneficiary is well cared for in life within Saint John of God Hospitaller Services. This fund is being managed effectively for its intended use, should the beneficiary change care provider then this fund would be transferred.

All the other funds represent specific bequests or donations to the services named to be spent specifically on improvements to those services as deemed necessary.

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,202	1,643
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,634	1,333
	<u>          </u>	<u>          </u>

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total £'000</b>
Fund balances at 31 December 2018 are represented by:			
Tangible assets	276	-	276
Investments	5	-	5
Current assets/(liabilities)	(194)	50	(144)
	<u>          </u>	<u>          </u>	<u>          </u>
	87	50	137
	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total £'000</b>
Fund balances at 31 December 2017 are represented by:			
Tangible assets	289	-	289
Investments	7	-	7
Current assets/(liabilities)	(74)	(41)	(115)
	<u>          </u>	<u>          </u>	<u>          </u>
	222	(41)	181
	<u>          </u>	<u>          </u>	<u>          </u>



## 22 CASH GENERATED FROM OPERATIONS

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
(Deficit)/surplus for the year	(44)	206
Adjustments for:		
Investment income recognised in statement of financial activities	-	(2)
Loss on disposal of tangible fixed assets	38	34
(Gain)/loss on disposal of investments	-	1
Depreciation and impairment of tangible fixed assets	69	75
Movements in working capital:		
(Increase)/decrease in stocks	-	1
Decrease/(increase) in debtors	509	(249)
Increase in creditors	870	72
(Decrease) in deferred income	(341)	(48)
<b>Cash generated from operations</b>	<b>1,101</b>	<b>90</b>

23 OPERATING LEASE COMMITMENTS

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Land and buildings</b>		
Within one year	29	104
Between one and five years	36	55
	<u>65</u>	<u>159</u>
	<u><u>65</u></u>	<u><u>159</u></u>
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Other</b>		
Within one year	6	13
Between one and five years	12	22
	<u>18</u>	<u>35</u>
	<u><u>18</u></u>	<u><u>35</u></u>

## 24 RELATED PARTY TRANSACTIONS

The Hospitaller Order of Saint John of God (and its subsidiary St. John of God (Community Developments) Ltd) and the Hospitaller Order of Saint John of God Charitable Trust are separate registered charities. Some of the trustees of these charities were also trustees of Saint John of God Hospitaller Services during the period under review. Certain trustees are also members of the Board of Sponsors of Saint John of God Hospitaller Ministries, a canonical body established in Ireland.

Included within debtors is an amount of £nil (2017: £1,581) owed from Hospitaller Order of Saint John of God for recharges of overhead costs.

Included within accruals and deferred income is an amount of £326,963 (2017: £338,269) due to Hospitaller Order of Saint John of God.

During the year rental payments of £306,690 (2017: £333,910) were made to Hospitaller Order of Saint John of God and £22,200 (2017: £22,200) to Hospitaller Order of Saint John of God Charitable Trust for the use of fixed assets owned by the Trust and Order.

During the year rent amounting to £72,000 (2017: £72,000) was paid to St. John of God (Community Developments) Ltd, a company of which one of the trustees is also a director. There was £nil outstanding at 31 December 2018 (2017: £6,000).

During the year donations amounting to £1,542,868 (2017: £880,000) were receivable from Hospitaller Order of Saint John of God and £nil (2017: £300,000) from Hospitaller Order of Saint John of God Charitable Trust.

Included with creditors is an amount of £742,131 (2017: £nil) owed to Hospitaller Order of Saint John of God.

25 PENSIONS COSTS

The company makes available a contributory money purchase scheme which all employees can join. This is administered by Scottish Equitable and each person has their own independent pension policy. The charge for the period represents contributions payable in the period.

The total pension costs in the period were £220,931 (2017: £171,274). Amounts deducted but not yet paid over amounted to £38,212 (2017: £20,582).





[SJOG.UK](http://SJOG.UK)



Saint Bede's House, Morton Park Way, Darlington DL1 4XZ



01325 373700



[enquiries@sjog.org.uk](mailto:enquiries@sjog.org.uk)