



**ANNUAL REPORT
and
STRATEGIC REPORT
for
2014**

Company Registration: 2016251

Charity Registration: 294832

Reference and Administrative Details

Name of Company:	WALSINGHAM		
Registered Address:	Walsingham House 1331-1337 High Road Whetstone London N20 9HR		
Telephone No:	020 8343 5600		
Fax No:	020 8446 9156		
Website:	www.walsingham.com		
Status:	A Company limited by guarantee and a Registered Charity		
Company Registration No.:	2016251		
Charity Registration No.:	294832		
Trustees:	<p>The Trustees constitute Directors of the Company for the purposes of the Companies Act 2006 and Trustees of the Charity for the purposes of the Charities Act 2011.</p> <p>The following members were in office at the date of signing this report and, except where shown, served throughout the year:-</p> <p>Richard Hay – Chair <i>(until 10/7/13)</i> Heather Benjamin – Chair <i>(from 16/10/13)</i> Jeanette Barrowcliffe <i>(from 22/1/14)</i> Marilyn Berry Davina Boakye <i>(from 16/10/13)</i> Donna Clark <i>(from 16/10/13)</i> Peter Clarke Janine Desmond Judith Gimson <i>(Interim Vice Chair 11/7/13 - 16/10/13)</i> Richard Keegan-Bull <i>(from 16/10/13)</i> Susan Lennon <i>(Vice Chair & Interim Chair 11/7/13 - 16/10/13)</i> The Revd. Canon Geoffrey Ravalde Colin Stubbings <i>(until 19/3/14)</i> Lynda Tarpey <i>(from 22/1/14)</i> Maddy Thomson <i>(Vice Chair from 16/10/13)</i> David Wilson <i>(until 17/7/13)</i></p>		
Company Secretary:	Graham Watson		
Executive Leadership Team:	Paul Snell	-	Chief Executive
	Graham Watson	-	Director of Finance
	Caroline Biddle	-	Director of Human Resources
	Sarah Macey	-	Director of Operations & Development

Bankers: National Westminster Bank plc
Enfield Corporate Business Centre
Nicon House
3rd Floor, Lough Point
2 Gladbeck Way
Windmill Hill
Enfield
Middlesex
EN2 7JA

Solicitors: Trowers & Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Statutory Auditors: Sayer Vincent LLP
8 Angel Gate
City Road
London
EC1V 2SJ

Structure, Governance and Management

Walsingham is a company limited by guarantee governed by its Articles of Association dated 17th October 2012 and is registered as a Charity registered with the Charity Commission. There are currently 20 members, each of whom is required to contribute up to £5 in the event of the Charity being dissolved. Members comprise primarily past and present Trustees and current members of the Executive Leadership Team.

Trustee Appointment, Induction and Training

The Charity is governed by its Board of Trustees, which consists of between 4 and 16 Trustees elected by the members at the Annual General Meetings (AGMs) or appointed by the Board between AGMs. Any Trustee appointed by the Board must resign / stand for election at the next AGM.

Potential new Trustees go through an induction period before appointment. This involves reading through the Trustees' Handbook, visiting some of our services, meeting Head Office staff and meeting with members of the Co-ordination Committee. Either side can withdraw at any stage in the process. If, after this process, the person is willing to serve as a Trustee they are proposed and seconded by current Trustees and if accepted by the majority, their election is confirmed at duly convened meetings of the Trustees. All new appointments are for a period of four years, unless otherwise specified. Trustees may be elected for only three consecutive four year periods.

All Trustees complete a Skills Profile, which is reviewed by the Chair and Chief Executive. Additionally Trustees take part in our internal mentoring scheme, attend training courses and conferences on matters specific to their area of expertise, internal workshops are also arranged for Trustees on specific topics.

Organisation

The Board of Trustees meet five times during the year plus additional sessions linked to our Annual Meeting and training days. The Assurance Committee takes responsibility for the quality of service provision to the people we support, workforce planning and internal audit. The Finance Committee takes responsibility for the financial management and monitoring of the organisation's financial performance, they also make recommendations to the Board on remuneration. The Co-ordination Committee continues to ensure that all aspects of Governance and executive remuneration are kept under review. These Committees all meet regularly and consider governance issues in greater detail than the Board is able to. Both Board and Committee meetings are fully minuted. There are three Participation & Involvement Groups which meet regularly both locally and nationally.

Employment of People with Disabilities

As an organisation committed to supporting those with learning disabilities, we are particularly sensitive to the possibilities of employing staff who themselves have disabilities. Walsingham's Diversity Policy states that it firmly believes that its purpose and vision can only be achieved if it makes full use of the talents and individuality of all of its employees.

We follow the full aspects of the Equality Act 2010 and ensure that there is no discriminatory practice in any area of our work.

During the recruitment process we ensure that a clear risk assessment is undertaken for any applicant with a disability, which may involve a workplace assessment, independent Occupational Health referral and an Access to Work referral through Job Centre Plus. The outcomes of these assessments enable us to put effective reasonable adjustments in place for the individual. Examples of this would be specific seating, moving and handling guidelines, adapted kitchen equipment and so on; but also, given that the nature of the majority of posts we recruit to is supporting people with learning disabilities, to assess whether the post would actually be suitable for the candidate or if the risk to them or the people we support is too great.

Should any of our employees become disabled whilst in employment, the same processes would be undertaken to assess what reasonable adjustments can be made, or if we would be unable to make sufficient adjustment given the environment within which the majority of our staff operate.

Employee Involvement, Diversity & Equality

Walsingham is committed to employee involvement and consultation and as such maintains the on-line Staff Forums to provide the opportunity for all employees from across Walsingham to share good practice, discuss and influence topics of interest and importance to employees and the organisation as a whole. We also conduct regular staff surveys to gather views and feedback.

As a Charity, we do not have employee share schemes and we have to ensure all money is spent appropriately. During 2013-14 we were able to offer a 1.5% salary increase to all staff.

The Charity is committed to diversity and equality and welcomes applications from all members of the community. All employees are offered the same personal development, training, promotion and career development opportunities. If circumstances require, reasonable adjustments are made to support employees in carrying out their duties.

Health & Safety

Walsingham Trustees and employees have clearly defined Health & Safety responsibilities, and internal monitoring systems and processes are in place to ensure that appropriate and regular audits are undertaken and where necessary improvements are made.

Qualifying Indemnity Insurance

The charitable company has granted an indemnity to its directors against liability in respect of actions brought by third parties subject to the Conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Annual Report.

Auditors

A resolution proposing Sayer Vincent should replace Kingston Smith as auditors was agreed at the Annual General Meeting on 16th October 2013. Sayer Vincent have expressed their willingness to continue in office.

Vision, Mission, Ethos and Values

The Board of Trustees has approved the Charity's Vision, Mission, Ethos and Values as follows:

What we want to happen (our vision)

We want a world where everyone is valued.

What we do (our mission)

We support people with disabilities to have a full life. This includes those who have learning disabilities, and also for those with other forms of disability (including physical, mental, sensory and degenerative disabilities, autism spectrum disorders and brain injuries) and including those with multiple disabilities.

What we believe (our ethos)

Walsingham started as a Christian organisation. Christians believe everyone is loved by God. This still guides our work. Our CEO has to be a committed Christian.

Our staff have many different faiths or none at all. We support people using our services to follow their own faiths whatever they may be.

We believe that everyone is valuable and has a lot to offer, especially through their relationships with others and their full enjoyment of life.

We support people in the best way we can with their feelings, relationships and other things that are important to them.

How we do things (our values)

- ❑ **We want to be open and honest**
We want to tell people what we are doing and why. We want to say when we get things wrong, as well as right, and learn from our mistakes.
- ❑ **We want to involve everyone**
We want people with learning disabilities to have a real say about what we do. We want to make sure that we support people in a way that meets their needs and dreams.
- ❑ **We want to develop our staff**
Our staff are very important to us. We want to train them to do their jobs in the best way possible. We also want them to learn new things and enjoy their work.
- ❑ **We want to share ideas**
We want to work with other organisations to share ideas about the best way to support people with learning disabilities.
- ❑ **We want our services to be excellent**
We want our services to be the best possible. We also want to make sure our services do not cost too much.

Public Benefit

The Charity has reviewed its operations as required by the Charities Act to ensure that it is delivering public benefit. In doing so we referred to the Charity Commission's guidance on the subject.

The principles of public benefit require all charities to demonstrate that a) they are delivering an identifiable benefit or benefits and b) that the benefit is to the public or a section of the public.

All our activities are in support of our objects which state "the relief of need, within a Christian ethos, of people of all religions or faiths (or none) through the provision of housing, care and support services, primarily for those who have learning disabilities, but also for those with other forms of disability (including physical, mental, sensory and degenerative disabilities, autism spectrum disorders and brain injuries) and including those with multiple disabilities."

We believe that our work in support of these objects clearly delivers benefit to our beneficiaries in providing them with the support they require, in many cases at the most basic level to survive, and for all our beneficiaries by enabling them to live a full life. We do this by providing a range of whole life services primarily Support at Home & Support in the Community:

- Support at Home
 - Supported Living & Domiciliary Care – tailored to meet individual needs, from a few hours each week to 24 hours a day.
 - Registered Residential Care & Extra Care – often chosen by people who have complex or high support needs and which may include nursing care.
- Support in the Community
 - Community Based Services – including a variety of educational activities as well as more socially focussed activities which help in the development of social skills. These services also act as a springboard to access wider community services and opportunities – including employment, volunteering and leisure.

We estimate that the beneficiaries of our services represent between 2-3% of the total population of those with learning disabilities in England and Wales (though this last figure can only be approximate). In addition, our services benefit our direct beneficiaries' families, relatives and friends. More generally, there is a wider benefit to members of the general public who appreciate their engagement and interaction with people with learning disabilities who we have been enabled to relate generally within society.

The vast majority (over 90%) of the funding for our services comes from statutory authorities. Beneficiaries are subject to means testing by local authorities to determine whether and what level of contribution they are required to make towards their support. However, this assessment is conducted so that no-one is refused access to our services on financial grounds.

Strategic Report

To fulfil its aims Walsingham at the end of 2013-14 was providing care and support to 410 people with disabilities in over 100 locations in England and Wales. 779 employees both full and part time (Full Time Equivalent (FTE) 592) worked in the services providing direct care and support. A management and administration staff of 31 (FTE 28) based at our registered office and regional offices supported their work.

The Executive Leadership Team has been progressing the Strategy for 2013 to 2016 through an Annual Plan to further enhance the overall work of Walsingham. The Strategy and Plan were discussed at relevant meetings and cascaded down into departmental and individual objectives within the whole organisation.

Walsingham's agreed Strategic Aims over this three year period were:

- ❑ **Grow in size** by increasing annual income to £25m through a broadened range of funding streams whilst maintaining a minimum annual surplus of 1.5% to ensure our longer term sustainability.
- ❑ **Expand the range of services we offer**, extending into further geographical areas and expanding our influence as a provider locally and nationally.
- ❑ Work in **partnership** with others to provide whole life solutions and a seamless service for all of the people that we support and in particular working alongside health care organisations to develop a range of specialist support services.
- ❑ Redefine and develop our **brand** to ensure that what we do is clear to everyone and raises the organisation's **profile**.
- ❑ Develop our definition of **personalisation** and ensure this remains at the heart of the organisation.
- ❑ Maintain and further enhance the services we provide to ensure that they are of the highest **quality**.
- ❑ Question **how we work** to ensure that we are efficient & effective and enable us to operate simply, nimbly and flexibly.

Achievements and Performance

2013-14 has been a successful year for Walsingham, but like other social care organisations there have been some challenges, mainly due to pressure from ongoing austerity measures in public expenditure and the consequent impact on Local Authority spending.

In progressing our Strategic Aims we have achieved the following objectives:

- ❑ **Increasing annualised contractual income** from £16.1m to £17.9m (11% growth) through new services opened during 2013-14 whilst also maintaining a minimum annual surplus of 1.5%. New contracts rarely cover a whole year hence the difference between contractual and actual income for the year.
- ❑ **Expanding the services we offer** to people with disabilities by increasing the number of hours of support from 15,500 to 18,244 (18% growth), increasing the number of people we support from 350 to 410 (17% growth) and increasing the range of Support at Home and Support in the Community opportunities.
- ❑ Working in **partnership** with a major UK healthcare organisation to develop personalised health and social care management, care and support services for individuals returning to their local communities. Establishing partnerships with two housing associations to develop our national accommodation solutions strategy to roll out in 2014-15. We continue to interact and network with a large range of organisations to share best practice within the sector.
- ❑ Reviewed and updated our Strategic Aims for the next three years (2014 – 2017), worked on redefining our **brand** with a number of key messages and have raised the **profile** of the organisation locally and nationally through presenting at two National Conferences, writing four articles / blogs and publishing thirty three news stories. News and comments from people we support can be seen on our website www.walsingham.com
- ❑ Have developed and launched our own definition of **personalisation** and have continued to support the development of local & national Participation & Involvement Groups and Family Members Groups across the organisation.
- ❑ Have effectively monitored our services through our internal **quality** assurance systems and processes alongside having had 22 positive CQC / CSSIW Inspections. Successfully appointing to the new Quality & Project Officer roles within Wales, Northern England and Central & Southern England.
- ❑ Further **streamlining how we work** through redefining roles, responsibilities and accountabilities of Trustees, CEO & Directors. Progressing the Action Plan developed through governance workshops and refocussing Board, Committee & Executive Leadership Team Meetings.

In addition to these Objectives, Walsingham's 2013 Annual Meeting in Hertfordshire was attended by 160 people, including people we support, relatives, commissioners, social services, trustees and employees. At this meeting, we reviewed the organisation's overall performance during 2012-13, and updated people on what we are currently working on. Those present asked a number of questions on a whole variety of issues. The event also included presentation to the winners in Walsingham's Employee Award Scheme 2013.

Financial Review

Income & Expenditure

2013-14 was a successful year for Walsingham financially with the organisation achieving a better surplus than budgeted. This reflects the organisations strategic growth objectives and renewed focus on business development.

Total unrestricted operating income (note 3) for the year increased by 14% to £17.2m (excludes sale of property, investment, fundraising & rent income) against the previous year and came very close to an ambitious budget target. As always, the vast majority of this (£17.0m) is from payments to support people with disabilities, of which 85% comes directly from commissioners and just under 15% from individual purchasers' contributions, grants and benefits.

Total expenditure from unrestricted charitable activities was £17.1m (note 4) is made up of operating & governance expenditure of £16.5m, £235k from designated funds and a £350k provision. Operating expenditure was primarily spent directly on the support of people with disabilities, with much smaller amounts on transport and governance. The one off provision mentioned above has been created to settle the organisation's liability following withdrawal from the Social Housing Pension Scheme (note 16), plus transport and governance costs.

The net effect of this operating income (£17.1m) and expenditure (£16.5m) is an overall operating surplus of £438k, after transfers of £237k to the Sinking Fund. There have been two exceptional items in 2013-14: the site of Longfields Day Centre in Swansea was sold for redevelopment (SOFA and Cash Flow) and the proceeds of this sale have been transferred to a restricted reserve called the Swansea Projects Fund (note 13), which is to be used to enhance the lives of people with learning disabilities in and around the Swansea area; the second item is the pension fund provision.

Balance Sheet

The changes in the Balance Sheet can be summarised as follows:

Balance Sheet Movements (£)	2013	2014	Change	Main Reason
Fixed Assets	5,250,822	4,703,454	(547,368)	Sale of Longfields site, disposal of some motor vehicles and associated depreciation charges
Debtors	1,823,149	2,031,840	208,691	Increase in turnover invoiced on last year, debtors figure is proportionately less and debtor days have reduced
Bank & Cash	3,005,940	4,218,889	1,212,949	Sale of Longfields site and more robust credit control
Total Creditors	(1,125,161)	(1,305,815)	(180,654)	SHPS provision and other normal fluctuations
NET ASSETS	8,954,750	9,648,368	693,618	Total surplus for year
TOTAL FUNDS	8,954,750	9,648,368	693,618	Total surplus for year

Restricted Reserves

The organisation holds a series of restricted funds (see note 13) which can only be used in accordance with the conditions in place when the money or asset was received. The largest of these

is the Grant Funded Property Reserve which reflects the net book value (cost less depreciation) of grant funded properties owned by Walsingham for which the property itself or the sale proceeds have to go back to the originating health authority if the property ceases to be used to support people with learning disabilities.

A second significant restricted reserve is the Swansea Projects Fund this fund has been realised through the sale of the Longfields Association site in early 2014 and is restricted to being used to enhance the lives of people with learning disabilities in and around the Swansea area. The sum in the fund represents the income from the sale after settlement of costs and liabilities incurred.

Reserves Policy

Walsingham's unrestricted reserves consist of Designated Reserves which have been set aside by the Trustees for specific purposes and unallocated General Funds.

The major Designated Funds are –

- **Development Fund**, which exists to fund one-off projects to develop the extent and / or quality of the organisation's operations.
- **Sinking Fund**, which meets the cost of major repairs to the services where we bear this liability. Surveys are undertaken from time to time for the organisation's properties, long term costings identified, and needs built into the charity's financial planning and annual budgets.

In addition, the Fixed Asset Reserve equals the depreciated cost of unrestricted fixed assets and thus represents the cash tied up in these assets.

After taking account of the designated reserves, the General Reserves represent the working capital available to Walsingham to fund its ongoing operations. The Reserves Policy requires that these General Reserves should be equal to between one and three months' General Fund operating costs. As at 31st March 2014, the General Fund Balance of £2.9m represented 2 months of General Fund costs which achieves the level of reserves set in the policy.

The organisation's cash balances are managed in accordance with the approved Investment Policy which seeks to spread counterparty risk by limiting the amount held with any one banking group to no more than £1m. Our bank accounts are regularly reviewed to seek out the best available interest rates and changes made accordingly.

The organisation is also required to hold a Revaluation Reserve which shows the unrealised increase in value over original cost of the investment property held by the organisation (see note 9).

The Trustees believe that the level of reserves we seek to achieve is enough to ensure that we can continue to deliver services to the people we support, without needing a bank overdraft, in the event of any unbudgeted additional costs or shortfalls of income.

Investment Policy

Walsingham's funds are managed in such a way that ensures liquidity and security of funds whilst maximising income. Where the organisation has surplus funds not needed to fund its immediate charitable activities; they are invested in order to generate extra income to fund future activities.

The basic principle governing Trustees' decisions about investing their charity's funds is that they must take a prudent and ethical approach, along with a restriction of £1m of investment within any one banking group.

When investing funds, trustees must seek to strike the right balance for Walsingham between the two objectives of:

- Protecting, maintaining and, if possible, enhancing the value of the invested funds, so as to enable the charity effectively to carry out its purposes in the longer term; and
- providing an income to help the charity carry out its purposes effectively in the short term.

Risk Management

During the year the organisation continued to actively manage the risks facing it. The Executive Leadership Team continued to review all bar the lowest risks quarterly while the higher level risks were reported to Trustees via the Assurance and Finance Committees and at Board meetings.

As at 31st March 2014 none of the highest weighting risks were of concern as effective controls were in place. The Executive Leadership Team reviewed the organisation's approach to the recording of risk and recommended to Trustees a revised approach which analyses risk by strategic category.

Walsingham's Trustees recognise that risks are inherent in all that Walsingham does as it strives to fulfil its overall aims and objectives and, providing that the risks are effectively assessed and managed, Walsingham Trustees will continue to support the Chief Executive in managing and developing the organisation.

The highest weighted risks facing the organisation, as detailed in the risk register are as follows:

RISK	CONTROLS
Loss of current contracts	Regular meetings with Commissioners and attendance at providers meetings. Consistent high standard of services monitored by competent managers and vetted through Quality Assurance Management systems and supported by robust Policies and Procedures. Planning ahead with re-tendering and having strong business development team to support excellent tenders and presentations.
Decrease in income	Monitoring of all contracts and income received to mitigate reductions. Growth targets supported by a strong Operations and Development team and support from HR and Finance.
Being uncompetitive	Business Development Processes and roles in place. Competitor analysis and market information collected and analysed to assess our performance and benchmark against. Relationships with commissioners / people we support and family members to identify what the 'customer' needs are. Finance systems and tools in place to review costs.

The Future

We have now revised the original three year aims referred to in the Strategic Report (page 7) to add a further year taking Walsingham to 2017.

The Strategic Objectives for 2014-15 cover the following nine areas:

- ❑ **Expand the services we offer** by increasing the number of people we support to 550
- ❑ **Increase annualised contract income** to £22.6m, whilst maintaining a minimum annual surplus of 1.5%
- ❑ Develop and plan for the implementation of effective **accommodation solutions** for the people we support
- ❑ Agree and implement **new initiatives for people with learning disabilities in Swansea** through the Swansea Project Fund
- ❑ Establish and apply effective systems and processes for **measuring personalisation**
- ❑ Commission a research project which successfully enables the **organisation to influence thinking locally and nationally** within the health and social care sector
- ❑ Identify opportunities where members of the Board and Executive Leadership Team can effectively **raise the profile of the organisation**
- ❑ Plan for and undertake a self-assessment against the **Investor in People (IiP) Gold Standards** ahead of IiP reassessment during 2015
- ❑ Ensure **all stakeholders are effectively engaged** in the organisations strategic planning process for 2015-16

We are under no illusions that the current financial restraints in our sector will continue to impact on our operations; but with clear strategic vision, an ongoing growth plan, a focus on continuous improvement and quality plus the energy of our committed workforce and working widely with our partners we are confident that Walsingham will continue to provide personalised choices and independence to all of the people we support.

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of Walsingham for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted 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 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 SORP;**
- ❑ **make judgments and estimates that are reasonable and prudent;**
- ❑ **state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- ❑ **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.**

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.

So far as each of the Trustees are aware

- ❑ there is no relevant information of which the charitable company's auditors are unaware; and
- ❑ the Trustees have taken all relevant steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ in other jurisdictions.

Concluding Note from The Chair of Trustees

Having joined Walsingham in the autumn of 2013 I have been positively overwhelmed not only by the dedication of staff and the quality of services provided, but most of all by the people we support and their own personal achievements. I have found that Walsingham is very much an enabling organisation dedicated to personalisation and keeping the person supported at the heart of all decision making.

It has been a year of substantial change for Walsingham seeing nine movements in the composition of the Board including my own appointment but this has not affected the smooth operation of the organisation during 2013-14 where performance has been excellent. I am delighted we have achieved 11% up lift growth through new services or retaining current services following tenders, and also gaining three new framework agreements and provider lists. The strategic plans for the next three years will continue to challenge the senior team and will grow and enhance our organisation.

Walsingham continues to be a learning organisation and we continue to develop and refine our systems and processes to improve efficiency and reduce overheads, all of which ultimately benefits the people we support throughout England and Wales both now and in the future.

I look forward to the forthcoming 12 months as my first full year in post and I am confident that the team at Walsingham will have another successful year.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



Heather Benjamin, Chair
9th July 2014

Independent Auditors Report to the Members

We have audited the financial statements of Walsingham for the year ended 31 March 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees , including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report 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

Sayer Vincent LLP

**Judith Miller (Senior Statutory Auditor)
for and on behalf of Sayer Vincent LLP,
Statutory Auditor**

16 July 2014

Date

8 Angel Gate
City Road
London EC1V 2SJ

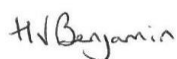
**Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 March 2014**

	Note	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		-	-	-	1,550
Investment income	2	-	100,806	100,806	75,792
Fundraising		20,655	20,568	41,223	3,596
Rent of surplus office space			28,794	28,794	53,620
Incoming resources from charitable activities	3	133,666	17,082,680	17,216,346	15,124,844
Profit on sale of Longfields property			669,982	669,982	-
Total incoming resources		<u>154,321</u>	<u>17,902,830</u>	<u>18,057,151</u>	<u>15,259,402</u>
Resources expended					
Charitable activities		239,154	17,009,409	17,248,563	14,754,414
Governance costs		-	114,970	114,970	142,153
Total resources expended	4	<u>239,154</u>	<u>17,124,379</u>	<u>17,363,533</u>	<u>14,896,567</u>
Net incoming resources before transfers		(84,833)	778,451	693,618	362,835
Gross transfers between funds		<u>662,871</u>	<u>(662,871)</u>	<u>-</u>	<u>-</u>
Net incoming resources and net movement in funds	5	578,038	115,580	693,618	362,835
Reconciliation of funds					
Total funds brought forward		<u>3,276,908</u>	<u>5,677,842</u>	<u>8,954,750</u>	<u>8,591,915</u>
Total funds carried forward		<u><u>3,854,946</u></u>	<u><u>5,793,422</u></u>	<u><u>9,648,368</u></u>	<u><u>8,954,750</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

	Note	£	2014 £	2013 £
Fixed assets				
Tangible fixed assets	8		3,453,454	4,000,822
Investments	9		1,250,000	1,250,000
			4,703,454	5,250,822
Current assets				
Debtors	10	2,031,840		1,823,149
Short Term Deposits		2,918,483		700,000
Cash at bank and in hand		1,300,406		2,305,940
		6,250,729		4,829,089
Liabilities				
Creditors: amounts falling due within one year	11	(1,305,815)		(1,125,161)
Net current assets			4,944,914	3,703,928
Net assets	12		9,648,368	8,954,750
The funds of the charity				
Restricted funds	13		3,854,946	3,276,908
Unrestricted funds				
General funds			2,958,328	2,883,462
Designated funds			1,939,844	1,899,130
Revaluation reserve			895,250	895,250
Total charity funds			9,648,368	8,954,750

Approved by the trustees on 9th July 2014 and signed on their behalf by



Heather Benjamin
Trustee



Peter Clarke
Trustee

Cash Flow Statement
For the year ended 31 March 2014

	2014	2013
£	£	£
Net cash flow from operating activities (Note A)	70,008	1,166,768
Returns on investments and servicing of finance		
Investment outcome	100,806	75,792
Externally funded interest received	35,790	12,176
Externally funded interest paid	-	(1,610)
Net cash inflow from returns on investments	136,596	86,358
Capital expenditure and financial investment		
Purchase of tangible assets	(60,376)	(227,765)
Sale of property	1,065,070	-
Sale of tangible assets	1,651	5,200
Net cash outflow from capital expenditure and financial investment	1,006,345	(222,565)
Financing		
Repayment of loans	-	(14,625)
Increase in cash	1,212,949	1,015,936

Note A	2014	2013
Reconciliation of net Incoming resources before other recognised gains & losses to net cash flow from operating activities	£	£
Net incoming resources before other recognised gains and losses	693,618	362,835
Investment income	(100,806)	(75,792)
Externally funded interest received	(35,790)	(12,176)
Externally funded interest paid	-	1,610
Loss on disposal of fixed assets	693	315,315
Gain on disposal of property	(669,982)	-
Depreciation charges	210,312	202,979
Increase in debtors	(208,691)	306,564
Increase in creditors less than one year	180,654	65,433
Net cash flow from operating activities	70,008	1,166,768

Note B	At 1 April 2013	Cash Flow	Other non-cash charges	At 31 March 2014
Analysis of net resources	£	£	£	£
Cash in hand and at bank	3,005,940	1,212,949	-	4,218,889
Debt due within 1 year	(6,582)	-	-	(6,582)
Total	2,999,358	1,212,949	-	4,212,307

1. Accounting policies

a) The financial statements have been prepared under the historical cost convention, with the exception of freehold investment property, which is included at market value. They have been prepared in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Investment income is recognised on a receivable basis.

Fees, charges, grants and benefit income for charitable activities and other incoming resources are recognised as they are earned.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

All income is included in the Statement of Financial Activities gross i.e. without deduction of any expenditure.

c) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support Costs are reallocated based on an estimate of staff time incurred.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

f) Designated funds are unrestricted funds earmarked by the trustees for particular purposes. It is also required to hold revaluation gains in a separate reserve.

g) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

h) Investment property is included at open market valuation and is not depreciated in accordance with the requirements of SSAP 19. The application of the standard represents a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees compliance with the standard is necessary for the financial statements to give a true and fair view. Unrealised revaluation gains / losses are included in the Statement of Financial Activities under Other Recognised Gains and Losses and charged to the Revaluation Reserve.

**Notes to the Financial Statements
For the year ended 31 March 2014**

1. Accounting policies (continued)

i) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The land element of property is not depreciated. The depreciation rates in use are as follows:

Freehold premises	2% straight line net of land
Leasehold premises	Evenly over remaining term
Furniture, fixtures & fittings	20% on straight line
Office & Computer Equipment	20% on written down value
Motor vehicles	25% on written down value

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

j) The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Employer contributions to this fund amounted to £253,356 during the year (2013 - £293,986). Contributions are charged to the Statement of Activities in the period they are payable.

The company is also an approved organisation, for the purpose of the National Health Service (Superannuation) Regulations 1980, making contributions to the National Health Service Pension Scheme for a small number of ex-NHS employees. The Scheme is regarded as a statutory scheme by the Inland Revenue and is covered by section 22 of chapter 3 of the 1970 Finance Act. The contributions of the employer and employee are 14% and 6% respectively. As a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer which meets the cost of the scheme benefits. The Exchequer also pays for the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employees. The company made contributions to this scheme of £28,815 during the year (2013 - £39,557).

In addition the company is an employer member of the defined benefit Social Housing Pension Scheme in relation to two transferred members of staff. Employer contributions to this scheme during the year were £3,327 (for two contributing members) plus £10,720 deficit charges (2013 - £2,317 for one contributing member).

Contributions to the scheme are charged to the Statement of Financial Activities in the period that they are payable, as described in Note 16 to the accounts.

k) Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. Investment income

	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£
Bank interest	-	35,790	35,790	8,721
Rental income from investment property	-	65,016	65,016	67,071
	-	100,806	100,806	75,792

Notes to the Financial Statements
For the year ended 31 March 2014

3. Incoming resources from charitable activities

	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£
Purchaser Income	-	14,520,411	14,520,411	12,638,598
Individuals' Contributions	-	686,288	686,288	688,349
Supporting People Grant	-	481,141	481,141	515,589
Housing Benefit	-	904,005	904,005	584,610
Independent Living Fund	-	473,990	473,990	522,785
Contribution to Transport Charges	133,666	-	133,666	147,077
Externally funded loan repayments	-	-	-	12,176
Miscellaneous income	-	16,845	16,845	15,660
	<u>133,666</u>	<u>17,082,680</u>	<u>17,216,346</u>	<u>15,124,844</u>

4. Total resources expended

	Governance Costs	Charitable Activities	Designated Funds	Restricted Funds	2014 Total	2013 Total
	£	£	£	£	£	£
Staff costs (note 6)	-	12,159,684	-	-	12,159,684	10,052,747
Training	-	166,180	-	-	166,180	123,827
Household	-	1,829,135	-	-	1,829,135	1,543,615
Individuals' personal costs	-	157,850	-	-	157,850	148,216
Service vehicle costs (inc depreciation note 8)	-	-	-	155,984	155,984	201,027
Local management costs	-	148,755	5,129	-	153,884	152,541
Provision for doubtful debt	-	-	-	-	-	4,767
Support costs (see below)	42,425	1,851,190	-	-	1,893,615	1,882,133
Amenity Fund expenditure	-	-	-	4,376	4,376	2,815
Depreciation (note 8)	-	111,120	-	50,544	161,664	137,477
Planned maintenance	-	-	98,108	-	98,108	151,566
Development of the business	-	-	132,258	-	132,258	38,444
Provision of accessible information	-	-	-	-	-	1,428
Development of community relations	-	-	-	-	-	659
Externally funded interest	-	-	-	-	-	1,610
P&I Group	-	-	-	5,143	5,143	-
Longfields pool grant	-	-	-	19,035	19,035	-
Communication Fund costs	-	-	-	730	730	-
SHPS Pension Settlement (note 16)	-	350,000	-	-	350,000	-
Golf Day fundraising costs	-	-	-	3,342	3,342	-
Total resources expended	<u>42,425</u>	<u>16,773,914</u>	<u>235,495</u>	<u>239,154</u>	<u>17,290,988</u>	<u>14,442,872</u>
Additional resources detailed below:						
Direct costs of Board, Committees & Members	16,605	-	-	-	16,605	16,163
Audit Fees - External Scrutiny	19,842	-	-	-	19,842	22,000
Legal & professional fees	36,098	-	-	-	36,098	67,338
	<u>114,970</u>	<u>16,773,914</u>	<u>235,495</u>	<u>239,154</u>	<u>17,363,533</u>	<u>14,548,373</u>

Support costs:

Salaries (note 6)	1,229,926	1,229,926 }	1,899,458
Office costs	585,324	585,324 }	
Governance	42,425	42,425	84,663
Legal & professional fees	35,940	35,940	67,338
	<u>1,893,615</u>	<u>1,893,615</u>	<u>1,966,796</u>

Notes to the Financial Statements
For the year ended 31 March 2014

5. Net incoming resources for the year

This is stated after charging / crediting:

	2014	2013
	£	£
Depreciation	210,312	202,979
Profit on Sale of Property	669,982	-
Operating lease rentals:		
Property	218,624 }	-
Other	22,280 }	208,778
Auditor's remuneration:		
Audit	19,842	22,000
Other services	-	19,337
Trustees' remuneration	-	-
Trustees' expenses	16,605	10,307

Travel and subsistence expenses were incurred on behalf of 12 trustees (2013: 12 trustees) in respect of hotel and subsistence costs and travelling expenses paid at the rate of standard class rail fares or car mileage at HMRC approved rates and stationery costs. This figure has increased compared to last year due to more trustee training and away days.

During the period the Chief Executive incurred expenses of £4,722 (2013: £2,369) on mobile phone costs, hotel and subsistence costs and travelling expenses paid at the rate of standard class rail fares or car mileage at HMRC approved rates relating to visits to Walsingham's staff and services throughout the country. The figure has increased due to the expansion of the organisation.

During the period the Executive Leadership Team (excluding the CEO) incurred expenses of £7,856 (2013: £6,893) on mobile phone costs, hotel and subsistence costs and travelling expenses paid at the rate of standard class rail fares or car mileage at HMRC approved rates relating to visits to Walsingham's staff and services throughout the country.

No Trustee received any remuneration from the Charity or had any beneficial interest in any contract with the Charity during the period.

6. Staff costs and numbers

	2014	2013
	£	Restated £
Directly employed & agency		
Wages and salaries	12,338,435	10,286,105
Social security costs	819,426	729,442
Pension	296,218	190,144
	<u>13,454,079</u>	<u>11,205,691</u>

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
Charitable activities	588	486
Management and Office	34	26
	<u>622</u>	<u>512</u>

Employees with emoluments over £60,000 were as follows:

	2014	2013
	No.	No.
£60,001 - £70,000	3	3
£80,001 - £90,000	1	1
	<u>4</u>	<u>4</u>

The individuals earning over £60,000 per annum were members of the pension scheme in each year and the cost of employer's pension contributions for these individuals were £25,197 for 2013-14 and £24,389 for 2012-13.

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**Notes to the Financial Statements
For the year ended 31 March 2014**

8. Tangible fixed assets

	Freehold Property £	Long term leasehold property £	Short term leasehold property £	Furniture, fixtures & fittings £	Equipment £	Motor vehicles £	Total £
Cost							
At the start of the year	3,826,374	629,275	179,933	1,382,915	476,720	579,823	7,075,040
Additions in year	-	-	-	28,800	31,576	-	60,376
Disposals in year	<u>(411,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,761)</u>	(457,656)
At the end of the year	<u>3,414,479</u>	<u>629,275</u>	<u>179,933</u>	<u>1,411,715</u>	<u>508,296</u>	<u>534,062</u>	6,677,760
Depreciation							
At the start of the year	866,522	138,298	165,457	1,223,528	297,517	382,896	3,074,218
Charge for the year	42,376	8,168	5,724	59,910	45,485	48,649	210,312
Disposals in year	<u>(16,806)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,418)</u>	(60,224)
At the end of the year	<u>892,092</u>	<u>146,466</u>	<u>171,181</u>	<u>1,283,438</u>	<u>343,002</u>	<u>388,127</u>	3,224,306
Net book value							
At the end of the year	<u>2,522,387</u>	<u>482,809</u>	<u>8,752</u>	<u>128,277</u>	<u>165,294</u>	<u>145,935</u>	3,453,454
At the start of the year	<u>2,959,852</u>	<u>490,977</u>	<u>14,476</u>	<u>159,387</u>	<u>179,203</u>	<u>196,927</u>	4,000,822

9. Investments

	2014 £	2013 £
Market value at the start & end of the year	<u>1,250,000</u>	<u>1,250,000</u>
Historic cost at the end of the year	<u>354,750</u>	<u>354,750</u>
Investments comprise:		
Investment properties in the UK	<u>1,250,000</u>	<u>1,250,000</u>

The property was revalued on an open market basis at 27th September 2010 by Ian Rennie BSc, FRICS of Rennie & Partners

10. Debtors

	2014 £	2013 £
Trade debtors	1,745,671	1,476,764
Sundry debtors	24,097	28,312
Prepayments and accrued income	<u>262,072</u>	<u>318,073</u>
	<u>2,031,840</u>	<u>1,823,149</u>

11. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	169,186	409,369
Bank loans	-	6,582
Other taxes and social security	214,244	187,494
Other creditors	99,318	47,054
Amounts held on behalf of people we support	82,463	64,067
SHPS Pension Creditor	350,000	-
Accruals and deferred income	<u>390,604</u>	<u>410,595</u>
	<u>1,305,815</u>	<u>1,125,161</u>

**Notes to the Financial Statements
For the year ended 31 March 2014**

12. Analysis of net assets between funds

	Restricted £	Designated £	General funds £	Total funds £
Tangible fixed assets	2,983,602	469,852	-	3,453,454
Investments	-	-	1,250,000	1,250,000
Net current assets	871,344	1,469,992	2,603,578	4,944,914
Net assets at the end of the year	3,854,946	1,939,844	3,853,578	9,648,368

13. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
General Transport Fund	41,809	133,666	(155,984)	-	19,491
Training Fund	1,575	-	-	-	1,575
Communication Fund	17,758	-	(730)	-	17,028
Grant Funded Properties	3,034,146	-	(50,544)	-	2,983,602
Amenity Funds	14,469	5,537	(4,376)	-	15,630
Swansea Assistive Fund	13,780	-	-	15,340	29,120
Golf Day (Giving People a Voice)	-	10,118	(3,342)	-	6,776
Swansea Projects Fund (Longfields Sale)	-	-	-	781,724	781,724
P&I Group	-	5,000	(5,143)	143	-
Longfields Pool Grants	153,371	-	(19,035)	(134,336)	-
Total restricted funds	3,276,908	154,321	(239,154)	662,871	3,854,946
Unrestricted funds:					
<i>Designated funds:</i>					
Development Fund	288,073	-	(132,258)	484,880	640,695
Sinking Fund	419,531	-	(98,108)	420,184	741,607
Walsingham House Maintenance Fund	-	-	-	35,000	35,000
Mabel Cooper Legacy Fund	-	-	-	8,487	8,487
Bill McLaughlin Memorial Fund	37,251	20,568	(5,129)	(8,487)	44,203
Fixed Asset Fund	1,154,275	-	(111,118)	(573,305)	469,852
Total designated funds	1,899,130	20,568	(346,613)	366,759	1,939,844
Revaluation Reserve	895,250	-	-	-	895,250
General funds	2,883,462	17,882,262	(16,777,766)	(1,029,630)	2,958,328
Total unrestricted funds	5,677,842	17,902,830	(17,124,379)	(662,871)	5,793,422
Total funds	8,954,750	18,057,151	(17,363,533)	-	9,648,368

Purposes of restricted funds

General Transport Fund	Represents the unspent balance of monies paid by people we support to provide vehicles for them
Training Fund	Established during 2009-10 to hold monies raised from the Golf Day for the purpose of training people supported by the company
Communication Fund	Established during 2011-12 to hold monies raised from the Golf Day for the purpose of helping people supported by the company to communicate more effectively
Grant Funded Properties	Represents the net book value of the cost and improvement of the purchase of the company's properties paid for by Health/Local Authorities

Amenity Funds	Represents monies raised locally by individual services to spend on those services
Swansea Assistive Fund	Relates to Housing Benefit income received for specific purchases of Assistive Technology equipment
Golf Day	Funds raised through the 2013 Golf Day Event, the purpose of the fund is to give the people Walsingham supports a voice to allow them to exert influence to change and enhance the organisation's work
Swansea Projects Fund (Longfields Sale)	Established in 2013-14 with the proceeds of the sale of the Longfields site, the fund is to be used to enhance the lives of people with learning disabilities in and around the Swansea area
P&I Group	Established during 2013-14 to hold monies donated by Margaret Giffin Trust, the purpose of the fund was to establish working groups of people supported by the organisation, their families and Walsingham operations employees to explore best practice within the organisation
Longfield Pool Grants	Represents property and equipment purchased via National Lottery funding for the hydrotherapy pool and gymnasium. Grant aid of £2,000 has been provided by Anton Jurgens Trust. The balance is reduced by the depreciation charged each year. The Longfields site has been sold and funds for the pool grant returned to the Big Lottery Fund for £19,035, the balance has been transferred to general funds.
Purposes of designated funds	
Development Fund	To provide funds to develop the organisation's operations, transfers were made to the fund of from General Reserves of £484,880 during 2013-14
Sinking Fund	Used for the planned maintenance of the organisation's properties. Transfers are made each year to the fund from the budgets of the services for which the company has the long term maintenance responsibilities
Walsingham House Maintenance Fund	The Walsingham House Fund represents monies set aside to provide for the costs of internal & external decorations and repairs of Walsingham House required under terms of the lease
Mabel Cooper Legacy Fund	Established during 2013-14 from monies bequeathed by Mabel Cooper's Estate. Mabel was a trustee on Walsingham's Board for many years
Bill McLaughlin Memorial Fund	Used to fund initiatives to improve the quality of life of the individuals Walsingham supports
Fixed Asset Fund	Represents the net book value of the charity's unrestricted fixed assets, depreciation is charged against this fund
Revaluation Reserve	Represents the unrealised gain on investment property

14. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Land & buildings		Equipment & motor vehicles	
	2014	2013	2014	2013
	£	£	£	£
Less than 1 year	46,856	30,598	1,616	3,384
2 - 5 Years	136,000	158,672	14,509	16,124
	<u>182,856</u>	<u>189,270</u>	<u>16,125</u>	<u>19,508</u>

15. Contingent Liability - Grant Funded Properties

The inclusion of grant funded properties in the balance sheet creates a contingent liability since these properties are all subject to charges or covenants restricting their use for people with learning disabilities.

In the event of these properties ceasing to be used for people with learning disabilities:

- a) Properties with a net book value at 31st March 2014 of £2,423,443 would have to be handed over to the Secretary of State for Health or their successor;
- b) Properties with a net book value at 31st March 2014 of £581,166 would create a further liability and have to be handed over to Cumbria County Council

16. Pension Obligations

Walsingham participates in SHPS (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062m. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035m, equivalent to a past service funding level of 67.0%.

The last Actuarial Report was provided by the Scheme Actuary at 30 September 2013 provides an approximate update on the funding position of the Scheme. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £2,327m and indicated a reduction in the shortfall of assets compared to liabilities to approximately £1,241m, equivalent to a past service funding level of 65%.

Walsingham has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for Walsingham was £308,328.

At the Board Meeting on 16th October 2013 the Trustees made the decision to withdraw from the Scheme. The Trustee of the Scheme has been notified and have commissioned an actuarial assessment of the liability, this has been estimated at £350,000 and a provision created in 2013-14 as the actual payment date is yet to be agreed. (note 11)