

# **FitzRoy Support**

---

## **Trustee Report and Financial Statements for the year ending 31 March 2017**

## Reference and Administrative Information

The Trustees submit their Annual Report and Financial Statements for the year ended 31<sup>st</sup> March 2017.

### Administration and Location

Established in 1962, FitzRoy is a national charity that supports people with learning disabilities. The Charity operates and is administered centrally from its headquarters in Petersfield, Hampshire. FitzRoy Support Limited (FitzRoy) is a Charity registered with the Charity Commission (No. 1011290) and a Company Limited by Guarantee (No. 2699902).

The Board members during the year were as follows:

- |                       |                                       |
|-----------------------|---------------------------------------|
| • Julia le-Blan ¥ ◆ ✦ | Chair (appointed January 2017)        |
| • Ian White ◆ ✦       | Vice-Chair (appointed September 2016) |
| • Michael FitzRoy     |                                       |
| • Simon Mollett ❖     |                                       |
| • Helen Platts        |                                       |
| • Andy Lee ❖ ◆ ✦      |                                       |
| • David Evans ¥       | (joined September 2016)               |
| • Lucy Chaudhuri ¥    | (joined September 2016)               |
| • Lucy Hovey ❖        | (joined September 2016)               |
| • Mary-Anne McIntyre  | Chair (resigned January 2017)         |
| • Martin Surgey       | Vice-Chair (resigned September 2016)  |
| • Bob Tindall         | (resigned January 2017)               |
| • Georgina Hovey      | (retired September 2016)              |

◆ Remuneration Committee

✦ Nominations Committee

❖ Finance Committee

¥ Quality Committee

### Executive Team

Anna Galliford	Chief Executive and Company Secretary
Diane French	Director of Operations & Business Development
Marianne Radcliffe	Director of Fundraising and Communications
Robyn Wedderburn	Director of Human Resources
Lucy Campbell	Director of Finance and ICT (resigned Dec 2016)
Alison Heustice	Director of Finance (appointed June 2017)

Registered Office	FitzRoy House	
	8 Hylton Road	
	Petersfield	
	Hants GU32 3JY	
	Telephone	01730 711 111
	Fax	01730 710 566
	Website	www.fitzroy.org
	Email	info@fitzroy.org
Auditors	BDO LLP	
	55 Baker Street	
	London	
	W1U 7EU	
Bankers	Nat West PLC 24 High Street	
	Haslemere	
	Surrey GU27 2HN	
Solicitors	Blake Morgan LLP	Potter, Owtram & Peck
	New Kings Court, Tollgate	42 West Street
	Chandler's Ford, Eastleigh	Haslemere
	Hampshire, SO53 3LG	Surrey, GU27 2AN

The Trustees submit their Annual Report and Financial Statements for the year ended 31<sup>st</sup> March 2017.

### **Administration and Location**

Established in 1962, FitzRoy is a national charity that supports people with learning disabilities. The Charity operates and is administered centrally from its headquarters in Petersfield, Hampshire.

FitzRoy Support Limited (FitzRoy) is a Charity registered with the Charity Commission (No. 1011290) and a Company Limited by Guarantee (No. 2699902).

## Trustees Report including strategic report

### OBJECTIVES AND ACTIVITIES

FitzRoy is a pioneering organisation committed to transforming lives for people with learning disabilities and autism. We run 77 services – registered care, day opportunities, and supported living – where we push beyond traditional care provision and address the many misconceptions about what life for a person with disabilities should be like. Our service provision includes people with learning disabilities; physical disabilities; and autism, and some of the people we support have additional mental health needs. We are driven by seeing people flourish when they connect with their communities, learn, work, volunteer, and enjoy relationships. As a values-driven organisation we put the people we support at the heart of everything we do, and the decisions we make.

#### **Our mission and vision reflect our commitment to the people we support**

FitzRoy transforms lives every day, supporting people with learning disabilities to do the things that make a real difference to their everyday life. Our vision, mission and values guide us each step of the way, and are as important now as when the charity first began.

**Our vision** is a society where people are treated as equals, regardless of their disability.

**Our mission** is to transform lives by supporting people with learning disabilities to lead the lives they choose.

**Our three core values** are the signposts along the way, ensuring we continue to stand out from the crowd and transform lives:

- **We see the Person**

FitzRoy began with one mother's belief that her child deserved better, and still today we see the unique value in every person we help.

- **We are Brave**

We stand beside people with learning disabilities and their families, and together we face our challenges wherever we find them.

- **We are Creative**

We dare to imagine a world where people are treated as equals, regardless of their disability.

We support over 700 people across England, with 374 people living in their own homes and 212 people supported in the community or at one of our five FitzRoy day opportunities. We provide support to 221 people who live in one of our 18 registered care and nursing homes. In some cases, individuals use several of our services.

The people who use our services are funded by various local and/or health authorities, and we have contracts with over 60 authorities across England.

### PUBLIC BENEFIT

The Trustees confirm that in developing and reviewing the objectives and activities of FitzRoy and the Charity's Strategic Plan, due regard has been given to the public benefit guidance issued by the Charity Commission.

The benefit to the public is incorporated in our Mission to provide practical support, helping people with learning disabilities to lead full, stimulating and independent lives. The benefits of the services

provided by FitzRoy are open to all people with a learning disability referred by their Local Authority or Health Authority. Support is provided to people in their own homes and in registered care and nursing homes owned or managed by the Charity. Access is only limited by the capacity of FitzRoy facilities and workforce. The provision of care is matched to need and not to the ability to pay.

The Charity places great emphasis on the establishment of good community relations and active engagement with local communities to mutual benefit. Upon referral, consultation takes place between the potential Service User, the referring authority and FitzRoy to ensure that the placement is appropriate to the aims of the Charity and most importantly meets the needs, wants, desires and aspirations of Service Users.

The activities of FitzRoy in pursuit of its charitable objectives for the public benefit are set out above. The section of this report entitled 'Achievements and Performance' notes key achievements illustrating the impact that the Charity's work has on the lives of the people with disabilities that we support. The section 'The Future' sets out how these objectives will be advanced in the coming years and how greater choice will be made available to our clients.

No private benefit is derived from the activities of the Charity by either the Trustees or parties related to them. Details of any reimbursed expenses are set out in the notes to the financial statements.

## **STRATEGIC REPORT**

FitzRoy has continued to successfully shape its operations, and remain ahead of the curve ensuring we offer services that our customers want. As a result we have achieved significant growth in a challenging funding environment. Despite Government austerity leading to cuts in funding, little or no inflationary increases from local authorities, and accelerating salary pressures driven by the national living wage, we remain in a strong financial position.

This year we undertook a comprehensive review to make sure we are consistently as efficient as possible. We did this while always remaining true to our values; seeing the person, being brave, and creative. Our five-year strategy: be a viable care provider; nurture a talented workforce; help more vulnerable people; and develop exceptional relationships, continued to guide our work, and focus us on the difference we make every day for the people who use our services, leading to an increase in our operating income of 12% to £26.8m.

To improve our economies of scale, we embedded a new regional structure, increased management spans of control and improved office systems. We invested in a new business development team with a range of skills and experience that have helped us grow in neighbouring counties, and support more people through a variety of different service models and creative new ventures.

Through a governance review with an external consultant we evaluated the effectiveness of the Trustee Board and their interaction with the Executive Team, the effectiveness of our governance, and the clarity of our strategy. This review led to significant improvements.

The Quality Committee made up of two Trustees and senior Operations staff is making good progress developing quality assurance standards; prioritising safety; and sharing best practice across the whole organisation.

We continue to find opportunities to work in partnership with local authorities ensuring that the people we support receive appropriate funding that both meets their needs and enables them to achieve their aspirations.

We were thrilled to take over a grass-roots organisation providing a vital service helping people with learning disabilities stay safe when finding friends and looking for love. As a fully fundraised project, Love4Life, has added to our diverse portfolio mix, helping us reach people with less complex needs but who are vulnerable and often fall through the gaps in care provision.

## Achievements and Performance

### BE A VIABLE CARE PROVIDER AND HELP MORE PEOPLE

Through our growth strategy, we have focused resources into bids and tenders, and delivering support across more services. The result has been a resounding success, winning £4.6m worth of new business. We are now providing residential care services in two new areas, Coventry and Herefordshire, and we increased our service provision in existing areas of Hampshire, Stockport and Suffolk. By successfully reducing our management charge we remain competitive, whilst ensuring we retain the expertise necessary to run a growing organisation.

Ensuring we continue to focus on a re-provision strategy for our older properties, we continue to respond to the needs of individuals as they change and as the number of people we support continues to increase. We have adapted our Hampshire day opportunities, re-positioning them as lifelong learning opportunities. This is successfully helping people set and achieve goals that improve their lives, help them find work, develop independence and expand their networks.

### NURTURE A TALENTED WORKFORCE

People are at the heart of our organisation, and our staff form the backbone of our success. Focussed on achieving the best for the people we support, we invested in a central recruitment team who work one on one with our services to meet their needs. With a new recruitment team in place, and three senior HR business partners improving all our HR systems and practices, we have made excellent headway in recruiting and nurturing a talented workforce that are equipped to provide the best support to everyone relying on a FitzRoy service.

Our commitment to engaging staff and supporting them to be the best they can be has meant we have both reduced our spend on agency staff, and reduced our staff vacancy rates. This new system means we are able to track our staff vacancy rate; the reduction in the number of staff vacancies has been significant, down from 15% to 8%.

We introduced new starter surveys to review our recruitment and on-boarding experience and we improved our exit interviews so we can understand more fully why we have a higher turnover of staff with less than 12-months service, in comparison to our average staff turnover.

The opinions of all colleagues matter to us, which is why we introduced our own staff engagement survey. This has been running for two years and the results from this, the second year, show improvements in nearly all the areas asked about, including an increased response rate to the survey from 25% to 30%.

Using the feedback from staff we are designing a leadership programme that will ensure our value 'See the Person' will help managers spread their focus from the people we support, to the people who support the people we support, our colleagues, all 1,160 of them.

Our revamped training modules won a silver award for 'Best Not-For-Profit Training Programme' at the prestigious Training Journal Awards. The new approach to staff training has seen our training compliance improve, and our staff survey shows that 92% of staff feel the training they receive gives them the confidence and skills they need to do their jobs. We also deliver our own Care Certificate.

We prioritise rewarding our staff. Despite the tight financial climate, we were pleased to implement a salary increase for all staff.

## **DEVELOP EXCEPTIONAL RELATIONSHIPS**

Investing in building better relationships with the many people and groups who have a stake in FitzRoy is crucial to our success and helps us understand the needs of the people who use our services. We do this in many ways, through conversations every day, and through strategic communications that engage people, and raise funds.

We set ourselves the challenge to engage with more people than ever, and through a concerted push and successful digital marketing strategy we saw a significant rise. Users on our website increased by 32%, Facebook traffic increased by 81%, and the amount of people seeing our tweets increased by 153%. This level of engagement builds our reputation, increases our impact, and supports our stakeholders to have a louder voice.

Through fundraising we raised nearly £600k in 2016/17; a fantastic achievement. This has contributed to the growth and sustainability of our Love4Life project, which has seen an increase in members and volunteers.

Thank you to all of the many people who generously gave a gift or their time to support us. We used this money to invest in things like an outdoor, all season classroom at our rural skills project, a sensory room at one of our residential care homes and a new state of the art, fully accessible kitchen within one of our day opportunities.

We also secured fantastic publicity by featuring in three episodes of a national television programme watched by 2.84 million people, The Undateables on Channel4. This led to a big uplift in the number of people applying to join our Love4Life project, and further publicity as radio and press contacts picked up on the story.

We continue to be active members of Voluntary Organisations Disability Group (VODG), and Anna Galliford, FitzRoy Chief Executive, is treasurer of the VODG Board of Trustees.

We were reminded of the courage it took to challenge social care provision in the wonderful obituaries and testimonials following the passing of John Williams (91) in February 2017. We are extremely proud to continue this legacy in all our work, and will miss him.

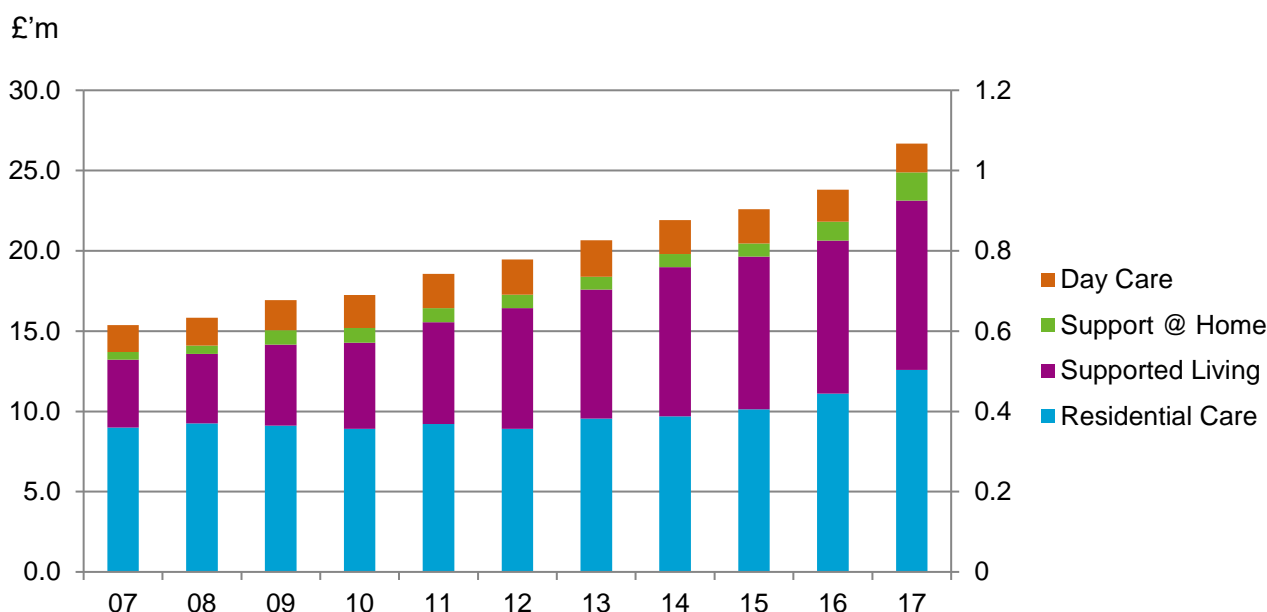
## Financial Review

Despite ever increasing legislative pressures on the sector as a whole, FitzRoy have achieved significant growth, both in income and geographic reach in 2016/17. This, along with a continued focus on efficiencies and cost savings whilst ensuring delivery of quality care, is reflected in the strong performance for the year. As well as working to deliver the best value for money, we have forged new relationships with stakeholders which has been critical to our success. It has brought access to new markets, driven innovation, and through stronger partnerships developed a deeper commitment to shared values.

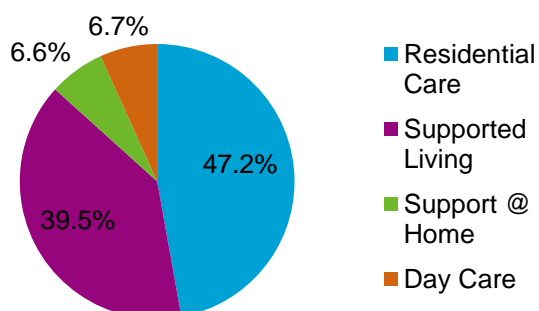
### INCOME

Total income grew by 2.4% in 2016/17, despite the lack of any merger, with fees continuing to be the primary source of income. In the year to March 2017 we saw income from care services increase by 12% to £26.8m, far in excess of the trend in recent years. This was due to continued expansion in supported living services in Coventry, Hampshire and Stockport, along with increased residential presence in both Hereford and Coventry. The charity continues to build on its success to date and strives towards continued growth to transform more lives.

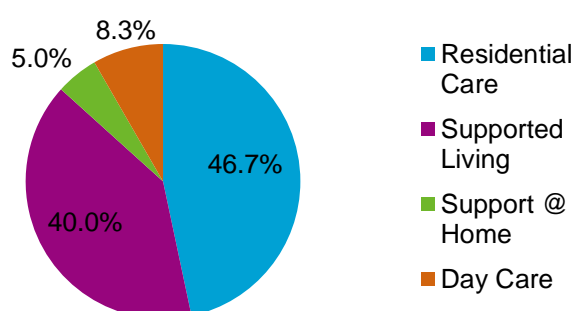
#### Income from Care Services Value



#### 2016/17 Mix of Income



#### 2015/16 Mix of Income





Support for people living in long term residential care has grown this year as a result of successful tendering in Herefordshire and Coventry. Supporting people in their own homes continues to be a critical focus for us and has resulted in new business in Stockport and Suffolk as well as increased business in Hampshire. Day care has seen a slight drop this year due to two of our smaller settings being combined to provide larger offerings in the locality.

The performance of our overall Fundraising activities performed well with donations of £586k for the year against a target of £221k. Our income benefitted from legacy donations of £350k along with support from various Charitable Trusts and locally held fundraising events. The external pressures in the charity sector means fundraising remains challenging.

We have continued to actively review our asset base and working capital to ensure that the organisation's funds are working hard for the people we support. The cash balances increased during the year mainly due to the 2015/16 legacy of £1.2m which was received in May 2016, along with increased business and good debtor control.

## **EXPENDITURE**

Total expenditure increased in the year by 7.3% reflecting the growth in service provision as well as the economies of scale achieved following the planned consolidation of our offices in May 2016. We have reduced our spend on agency staffing this year by 4.9%. This has been achieved by a continual focus on the quality of care delivered, coupled with a drive to improve staff recruitment and retention, and the staffing challenges when integrating new services into FitzRoy. External and legislative requirements continue to put pressure on costs, such as auto-enrolment, holiday pay and the national living wage, combined with the challenge of continued minimal increases in our fee income.

Working capital management continues to be a priority, enabling the charity to be flexible in how we fund future growth. We have maintained a close working relationship with key local authorities to ensure receipt of funds in a timely manner and low fee debtor balances. Local authority debtors are +19.3% versus prior year, reflecting the growth in fee income along with changes in local authorities payment terms. The reduction in other debtors relates to the £1.2m legacy in 2015/16 where the actual receipt of funds was in May 2016.

## **RESERVES POLICY**

Maintaining financial sustainability is one of the key elements in the Charity's on-going risk assessment. The Trustees and Management review the main risks to the Charity as part of their annual procedures. The general reserve target was reviewed in 2016 and set at £3.5 million in light of the continuing growth of the Charity and the need to cover short term risks and uncertainties, working capital requirements and contractual obligations to staff. This takes account of the additional property commitments that are anticipated over the next few years, not fully funded by restricted and designated reserves, as well as day-to-day obligations. The level of general reserves increased by £1.1m to £3.4m due to the positive performance this year. Cash reserves have increased from £2.2m to £3.6m following receipt of the legacy and the fundraising surplus for 2016/17.

At 31 March 2017 FitzRoy held a total of £14.6m in reserves, with £0.5m Restricted, £10.7m Designated (made up of Fixed asset fund of £10.4m and Maintenance & Redevelopment fund of £0.25m) and £3.4m General. It is expected that the designated Maintenance & Redevelopment fund will be utilised during 2017/18 to facilitate maintenance of our properties.

## INVESTMENT POLICY

The Memorandum and Articles of Association of the Charity provide the Trustees with the powers to make investments as they see fit. The investment strategy which has been set by the Trustees acknowledges that the greater part of the Charity's assets are invested in properties used for the Charity's purpose. It aims to invest those reserves of the Charity not utilised in the Charity's properties and in excess of a prudent cash reserve, to maintain the capital value in real terms over the longer term. The return on investments increased this year to £12.9k from £11.8k in the previous year to March 2016. The capital value of investments increased this year with an unrealised gain in the year of £5.2k as a result of the changes in the stock market.

## RISKS AND UNCERTAINTIES

A risk register has been established for some years and is reviewed on a regular basis and formally updated annually. The principle risks and uncertainties identified are a major incident, service user vacancies, staff retention, a loss of income, any changes in regulation, fraud, and systems failure. Where necessary, systems and procedures have been formulated to manage and mitigate the risks the Charity faces.

Fee increases have remained minimal, and represent a maximum of 0.3% within the 2016/17 results. This remains a critical challenge in the current environment as this trend is anticipated to continue for the foreseeable future. In the medium-term, Government and Local Authorities will need to accept the necessity of increasing funding to reflect the national living wage and mandatory increases in pension costs.

The overall service user vacancy rate remains low, at 2.7% across the organisation, with the majority of locations full. However, there are specific locations and specialised services where we continue to work closely with the local authorities to understand how best to ensure vacant beds match the needs of the individuals awaiting placement, and to understand the correct levels of demand in the area.

Long-term sustainability and liquidity remains a primary financial objective and the organisational strategy underpins this objective. Upward salary pressures, driven by legislation regarding the national living wage along with its effect on sleep ins, compound this issue and mean we need to consistently review our processes for efficiencies, and our structure for opportunities to reduce our overhead base.

Being appropriately prepared for a major incident remains a critical priority with the continued review of our disaster recovery plan; this is actively reviewed by senior members of the management team on a periodic basis.

## EQUAL OPPORTUNITIES AND STAFF ENGAGEMENT

FitzRoy is an equal opportunities employer. We oppose all forms of unlawful or unfair discrimination on the grounds of gender, race, disability, colour, nationality, ethnic or national origin, marital status, sexuality, religion or age.

FitzRoy participates in the 'Two Ticks' scheme, we guarantee an interview for applicants who state that they have a disability and who meet the essential criteria for a role. We are committed to using fair recruitment and selection processes to discover the merits of our candidates, to appoint the best person for the job. If any staff member's capability changes whilst in employment, wherever possible we make reasonable adjustments to enable them to continue in employment for as long as is possible. We use occupational health and medical reports to establish the adjustments that need to be made.

Training, and personal development is offered to all staff, regardless of any protected characteristics, and is adjusted accordingly if required.

At FitzRoy we believe that our staff should have a strong voice, and an opportunity to discuss issues which are important to them. We have a culture that values feedback and through our staff forums, a representative group from every part of the organisation meet regularly to:

- Exchange views between management and staff
- Test new ideas and approaches
- Discuss and improve terms and conditions for employees.

The Charity's aim as stated in our Achieving Equality and Valuing Diversity Policy document is to create an organisation where everyone is treated fairly and those who contribute to service delivery are recognised and valued. FitzRoy is committed to promoting equal opportunities, valuing diversity and social inclusion in everything it does. Our aim is equality for everyone who lives in, works at, uses or visits our services.

## THE FUTURE

To continue on our successful journey of growth and sustainability in a tough environment we will ensure we are ready to face the challenges ahead. These challenges include static or declining funding despite the 2% precept on council tax ringfenced to fund social care. We welcome the national living wage however the annual increase until 2020 represents significant increases in our costs and an erosion of pay differential in relation to other sectors, coupled with further increasing costs associated with the apprenticeship levy. In addition, falling unemployment rates mean a shrinking pool from which to recruit.

Despite these challenges in 2017/18 we have an income growth target of £2.5m, and we will develop our plans to formalise a housing management function arm of the organisation, as well as looking at new markets.

In order to do this we will further improve our systems, grow our services to help more people, and spread our management charge. We will continue to provide flexible solutions, and develop new specialisms, that meet the changing demands of commissioners and families.

As we collaborate with colleagues across the sector we will develop expertise in new service models such as transition services, and the transforming care agenda. We will continue to develop the new day care model of lifelong learning provision.

We continue to understand the needs of commissioners as well as the people we support and ensure that 'the how' of what we do is clearly described and easily accessible. This includes new best-practice groups and embedding an Active Support culture across all our services. Outcome measurement is critical to future improvement of our provision of care, and our new policy development systems will help deliver this.

Improving access to technology remains a top priority, and we are investing in our ICT infrastructure and systems to ensure staff have access to simple systems and can communicate with colleagues across dispersed geographical locations. Our intranet hosted through SharePoint is being overhauled to improve user experience and accessibility.

Continuing on our successful journey of staff training and retention we plan to develop new starter

packs and induction packs that lead to an improved welcome journey for every new starter, as well as a behavioural framework to support all staff.

Engaging our stakeholders and ensuring that we have a great partnership with them is core to our strategy. This year we will focus more on developing their voice through a national family engagement project and will develop the materials and signposting we offer to commissioners, families and people who may wish to use our services.

As ever, we will continue to remain true to who we are, providing high quality services, driven by our values, and always 'Seeing the Person'.

## Structure, Governance and Management

The Charity is incorporated as a company limited by guarantee and is governed in accordance with its Memorandum and Articles of Association.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

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. A full list of all Trustees is given on page two.

In an effort to maintain a broad skills mix, Trustees regularly review the Board's ability to provide support to the officers of the Charity and, in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election. Over the years we have employed selective advertising as well as more traditional networking opportunities to recruit Trustees. New Trustees are taken through an induction process that includes visits to a number of our services across the country to familiarise themselves with the running of the Charity. A number of our current Trustees have direct experience of learning disability within their own families.

The Board of Trustees meets six times a year to assess the overall direction and governance of FitzRoy. The Trustees delegate the exercise of certain functions in connection with the management and administration of the Charity to four sub committees, the Finance Committee, Remuneration Committee, Nominations Committee, and the Quality Committee. These groups meet regularly and report back to the Board on a regular basis and seek full ratification of certain decisions. Each year the Trustees hold an extended meeting of two days in one of the regions. This is an opportunity to reflect on the strategic direction of the Charity, receive presentations from regional staff on developments, visit services, meet service users, review the major risks to the Charity and undergo training.

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with 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 Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;

- state whether applicable 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 Charity will continue in business.

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

All of the current Trustees have taken all reasonable steps which, to the best of their knowledge and belief they ought to have taken, to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any information which they understand would be relevant to the audit of which the auditors are unaware.

The Charity is managed on a day-to-day basis by its Officers and Executive Team under the leadership of the Chief Executive, who is appointed by and responsible to the Trustees.

Staff at all levels in the organisation share in the work required to achieve our charitable objectives. During the year there have been regular meetings of the Staff Forum at which consultation and discussion has taken place on operational as well as employment issues. We also have a service user group, called Nationwide, and members of this group regularly report to the Board with their suggestions for the organisation.

The board of Trustees review and approve changes in remuneration to all staff annually, with delegated powers to the remunerations committee for senior staff remuneration and performance, which is measured against overall organisational KPI's.

## **FUNDRAISING**

FitzRoy is a charity primarily funded by local authorities, who pay for the care we provide. We fundraise to improve peoples' lives and provide the extras which are increasingly unaffordable due to shrinking care packages.

Our supporters are very important to us, and we see our relationship with them as a partnership; working together to achieve something special for vulnerable people. Thank you to all the individuals, trusts and companies who have supported us this year.

We are proud of our fundraising practice and work hard to make sure we are fully compliant with all relevant regulations. FitzRoy is member of the newly formed Fundraising Regulator.

Our main supporter communication is FitzRoy News which is sent out four times a year by post or electronically. We do not send repeated request for a gift to our supporters nor do we telephone them and ask them to increase their gift.

The majority of our fundraised income comes from trusts and foundations, legacies and sponsorship events. We do not participate in face to face fundraising or cold calling members of the public. We do not buy supporter data from a third party or sell supporter data to any other organisation or charity.

The fundraising team consists of four part time professional fundraisers. This year we contracted with two external consultants who worked on bids to trusts and foundations.



FitzRoy has nearly 80 services across England and we encourage all of our colleagues based in these locations to fundraise. We are in regular contact with any member of staff who undertakes any fundraising for us, and support them with advice, materials and practical help.

FitzRoy has a number of internal policies which relate to supporters. These are regularly reviewed by the Fundraising and Communications Director who regularly reports to the Board of Trustees on all aspects of fundraising strategy.

We received no complaints in relation to our fundraising in 2016/17.

## **ORGANISATIONAL CHANGES**

### **Board of Trustees**

This year we sadly said goodbye to two longstanding Trustees, Mary-Anne McIntyre and Georgina Hovey.

Mary-Anne led the Board as Chair for the last three years, having been an active member of the Finance Committee and Board for a total of 11 years. Her strategic vision and commercial acumen were a real asset to FitzRoy, particularly as the sector faced such tight financial constraints in recent years. We are hugely indebted to her for her time and commitment.

Georgina was a Trustee for 15 years and during her time with FitzRoy she led many fundraising initiatives, particularly in Sussex. Georgina always ‘saw the person’ in every discussion and was a regular visitor to our Sussex services. We are very grateful for her commitment and dedication over the years.

Martin Surgey joined the Board when FitzRoy merged with Searchlight Workshops in 2012 where he was Vice-Chair. He was an active member of the Board for over four years. In particular, the insight he provided having come from a merged organisation was hugely valuable. Martin’s warmth and empathy with the people we support, their families and all of our colleagues will be missed.

We were sorry that Bob Tindall resigned from the Board. In his short time with us he brought real depth of understanding around the key issues facing the sector particularly for learning disabilities providers.

We welcomed Lucy Chaudhuri, Lucy Hovey and David Evans to the Board in September 2016.

### **Executive Team**

Our Director of Finance, Lucy Campbell, resigned in January, after four years developing FitzRoy financial management systems. Her contributions helped embed our financial sustainability. We welcome Alison Heustice, who has been promoted to our new Director of Finance. After seven years with us she brings in-depth knowledge of our practices, financial acumen, and expertise in team leadership.

### **Auditors**

A resolution proposing that BDO LLP be reappointed as auditors will be put to the Annual General meeting.

The Trustees’ Report and Strategic Report were approved by the Trustees in their capacity as Directors of the company on 6 July 2017 and are signed on their behalf by:

**Julia Le Blan**  
**Chair of the Board of Trustees**

## Independent Auditor's Report to the Members of FitzRoy

We have audited the financial statements of FitzRoy Support for the year ended 31 March 2017 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 charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 12), the Trustees (who are also the directors of the 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/auditscopeukprivate](http://www.frc.org.uk/apb/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the trustees report have been prepared in accordance with applicable legal requirements.

### 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.

Julia Poulter, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor, London, United Kingdom

Date:

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

## Statement of Financial Activities for the year ended 31 March 2017 (Incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Total to 31 March 2017	Total to 31 March 2016
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and Legacies		462,588	123,414	586,002	1,455,966
Charitable Activities - Income from care services		26,752,514	-	26,752,514	23,899,850
Investment income & interest receivable		12,922	-	12,922	11,826
<i>Other:</i>					
Funds received from The Leo Trust		-	-	-	1,189,963
Gain on sale of fixed asset		-	-	-	143,069
<b>Total Income</b>	<b>2</b>	<b>27,228,024</b>	<b>123,414</b>	<b>27,351,438</b>	<b>26,700,674</b>
<b>Expenditure on:</b>					
Raising Funds		136,936	-	136,936	199,141
Cost of care services		26,790,557	68,902	26,859,459	24,964,520
<b>Total Expenditure</b>	<b>3</b>	<b>26,927,493</b>	<b>68,902</b>	<b>26,996,395</b>	<b>25,163,661</b>
<b>Net income/(expenditure)</b>		<b>300,531</b>	<b>54,512</b>	<b>355,043</b>	<b>1,537,013</b>
Net gains/(loss) on revaluation of investments	5	5,215	-	5,215	(6,899)
Transfers	8	164,747	(164,747)	-	-
<b>Net movement of funds</b>		<b>470,493</b>	<b>(110,235)</b>	<b>360,258</b>	<b>1,530,114</b>
<i>Reconciliation of funds:</i>					
Total funds brought forward	8	13,615,464	652,214	14,267,678	12,737,564
<b>Total funds carried forward</b>	<b>8</b>	<b>14,085,957</b>	<b>541,979</b>	<b>14,627,936</b>	<b>14,267,678</b>

\* There are no recognised gains and losses other than those stated above.

\* All of the above results derive from continuing activities.

\* The notes on pages 19 to 27 form part of these financial statements.



## Balance Sheet as at 31 March 2017

Company Registration Number: 2699902

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4				
Property		10,384,022		10,907,392	
Equipment		202,641		367,431	
		<u>10,586,663</u>		<u>11,274,823</u>	
Investments	5	79,593		74,378	
		<u>10,666,256</u>		<u>11,349,201</u>	
<b>Current assets</b>					
Debtors	6	1,869,011	2,653,061		
Bank deposits		2,919,840	1,384,516		
Cash at bank and in hand		<u>688,044</u>	<u>826,601</u>		
		5,476,895	4,864,178		
Creditors: amounts falling due within one year	7	<u>(1,362,321)</u>	<u>(1,712,600)</u>		
<b>Net Current Assets</b>		<u>4,114,574</u>		<u>3,151,578</u>	
Total assets less current liabilities		<u>14,780,830</u>		<u>14,500,779</u>	
Creditors: amounts falling due in more than one year	7	(86,698)		(166,904)	
Provisions for liabilities	7	<u>(66,196)</u>		<u>(66,197)</u>	
<b>Total Net Assets</b>		<u>14,627,936</u>		<u>14,267,678</u>	
<b>Funds</b>					
Restricted income funds	8,9	541,979		652,214	
Designated funds	8,9	10,669,997		11,279,339	
Unrestricted income fund	8,9	<u>3,415,960</u>		<u>2,336,125</u>	
<b>Total charity funds</b>	8,9	<u>14,627,936</u>		<u>14,267,678</u>	

The notes on pages 20 to 28 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 6 July 2017 and signed on its behalf by:

JULIA LE BLAN

ANDY LEE

Trustee and Chairman

Trustee and Chairman of Finance Committee

## Cash Flow Statement for the year ended 31 March 2017

	Notes	2017		2016	
		£	£	£	£
Net cash inflow from operating activities (See note below)			1,587,887		173,267
Cash flows from investing activities:					
Interest received		8,267		10,309	
Investment income		4,655		1,517	
Purchase of tangible fixed assets	4	(187,980)		(576,490)	
Proceeds on sale of fixed assets	4	-		795,500	
Net cash from investing activities			(175,058)		230,836
Cash flows from financing activities:					
Interest paid		(16,062)		(21,494)	
Net cash used in financing activities			(16,062)		(21,494)
Change in cash and cash equivalents in the reporting period			1,396,767		382,609
Cash at start of year			2,211,117		1,828,508
Cash at end of year			3,607,884		2,211,117
Increase in Cash			1,396,767		382,609

### I. Reconciliation of net income to net cash inflow from operating activities

	2017	2016
	£	£
Net incoming resources	360,258	1,530,114
Non Cash Assets from The Leo Trust	-	(1,269,792)
Non Cash adjustment to Assets under Construction	130,348	
Return from investments	(12,922)	(11,826)
(Gains)/losses on investments	(5,215)	6,899
Bank interest paid	16,062	21,494
Depreciation charge	745,792	772,577
Surplus on sale of asset	-	(143,069)
Decrease/(Increase) in debtors	784,050	(1,174,962)
Increase/(Decrease) in creditors	(430,486)	441,832
Net cash inflow from operating activities	1,587,887	173,267

The notes on pages 19-27 form part of these financial statements.

## Notes to the Financial Statements for the year ended 31 March 2017

### 1. ACCOUNTING POLICIES

#### a) Basis of accounting

FitzRoy is a public benefit entity and the Trustees consider it to be a going concern. The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments. They accord with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice – Accounting and Reporting by Charities issued in 2015 (SORP 2015) and Companies Act 2006. The accounts have been prepared under FRS 102 and SORP 2015.

The following are the principal accounting policies, which have not changed in the year.

#### b) Fund accounting

Unrestricted funds comprise Designated Funds and the General Fund/Free Reserve and represent the accumulated net surplus of unrestricted income over expenditure. They are available for use by the Charity in furtherance of its general objectives. Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes. Restricted funds are funds subject to specific restrictive conditions imposed by donors. Interest income is allocated to the various funds according to cash balances and investments attributable to them. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements.

#### c) Income

Income is accounted for on a receivable basis, except donations which are credited in the year in which they are received. The charity's income largely comprises of contracts for care services, recognised as the service is delivered. Legacies are regarded as receivable when it is probable that the legacy will be received and its value can be measured with sufficient certainty.

#### d) Expenditure

The expenditure is classified under categories which reflect the use of the resource. Central costs are allocated to cost of care services, this being over 99% of total direct expenditure. Irrecoverable VAT is included in expenditure.

#### e) Tangible fixed assets

The costs of acquisition of and adaptation to freehold properties, excluding the land value, are depreciated over their useful lives of 25 years. Other tangible fixed assets are stated at cost including any incidental expenses of acquisition and depreciated by equal annual instalments over the expected useful lives of the assets, which are as follows:

- Long leasehold properties - 25 years
- Short leasehold properties - the length of the lease/ contract
- Furniture and equipment - 4-8 years
- Office fixtures and fittings - 10 years
- Computers - 4 years
- Motor vehicles - 4 years

Any expenditure below £2,000 is included in the Statement of Financial Activities.

#### f) Investments

Investments are stated at market value. All gains and losses on revaluations are shown in the Statement of Financial Activities. Income from the investments is recognised in the year in which it arises.

#### g) Financial Instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments in accordance with FRS102. Basic financial instruments are initially recognised at the transaction value and subsequently measured at their settlement value.

## Notes to the Financial Statements continued...

### h) Debtors

Fee and other debtors are measured at their recoverable amounts, prepayments are valued at the amount prepaid at 31 March 2017.

### i) Operating leases

Operating lease rentals are charged to the Statement of Financial Activities as they become due.

### j) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

### k) Liquid resources

Cash at bank represents non-interest bearing bank balances that form the day to day working capital of the Charity. Bank deposits represent funds not required immediately held in interest bearing accounts typically for fixed periods.

### l) Pension costs

Contributions to the charity's defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable. A provision has been recognised in respect of the agreed deficit repayment plan for the multi-employer scheme Federated Flexiplan No.1 Further details are set out within note 10.

## 2. INCOME

All income from Local Authorities relates to care services provided, there has been nothing else received from other government bodies during the year. £123,414 (£169,031 2016) of income from donations & legacies is classified as restricted, all other income was unrestricted.

## 3. EXPENDITURE

	Staff Costs £	Other Costs £	Total 2017 £	Total 2016 £
<i>Expenditure on:</i>				
Cost of Care Services				
Direct	20,465,484	4,077,783	24,543,267	23,078,555
Support	1,159,313	-	1,159,313	915,000
Marketing	-	46,166	46,166	79,005
Business Systems	-	201,048	201,048	158,939
Depreciation	-	88,560	88,560	105,330
Recruitment/Training/Insurance	-	115,488	115,488	42,541
Office & administration	-	564,472	564,472	445,753
Governance	105,000	36,145	141,145	139,397
	21,729,797	5,129,662	26,859,459	24,964,520
<i>Expenditure on raising funds:</i>				
Fundraising and publicity costs	78,172	58,764	136,936	199,141
Total Outgoing Resources	21,807,969	5,188,426	26,996,395	25,163,661

Last years expenditure included £91,969 classified as restricted against the cost of care services.

## Notes to the Financial Statements continued...

### 3. EXPENDITURE (continued)

	2017 £	2016 £
Total resources expended are stated after charging:		
Auditor's remuneration –		
Audit services	27,139	28,466
Depreciation of fixed assets	745,792	772,577
Lease Payments –		
Land & buildings	139,750	193,832
Plant, Equipment & Vehicles	346,219	373,446
	2017 £	2016 £
Other costs, analysed above as Governance, cover the following categories:		
Auditor's remuneration	27,139	28,466
Trustee meeting costs	4,862	5,619
Governance related professional fees	3,177	357
Trustee expenses	967	1,716
	36,145	36,158

Governance costs include audit fee, trustee related expenses, and an allocation of staff costs to support the internal audit, statutory reporting and strategic planning roles.

	2017 £	2016 £
Staff costs during the year amounted to:		
Salaries	17,724,174	16,077,131
Redundancy costs	-	120,783
Social security costs	1,276,613	1,148,721
Employer's pension contributions	494,681	400,847
Other forms of employee benefits	64,631	76,283
	19,560,099	17,823,765
Agency staff costs	2,247,870	2,362,746
	21,807,969	20,186,511

	Number 2017	Number 2016
The average number of full time equivalent including overtime and non-contracted staff but excluding agency staff was:		
Care provision	825	722
Fundraising	3	3
<b>Total</b>	<b>828</b>	<b>725</b>

## Notes to the Financial Statements continued...

	Number 2017	Number 2016
The average number of staff, comprising both part and fulltime employees, during the year, analysed by function was:		
Care provision	1157	1025
Fundraising	3	3
<b>Total</b>	<b>1160</b>	<b>1028</b>

At 31 March 2017, the Charity employed 464 (2016: 443) full time staff and 798 (2016: 594) part time staff. The total emoluments of employees earning more than £60,000 per annum (including benefits in kind but excluding employer's pension contributions) fall within the following bands:

	Number 2017	Number 2016
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

For the above members of staff pension contributions amounting to £38,580 (2016: £28,700) were paid into a money purchase plan. Total salaries paid to key management personnel & directors amounted to £428,832 (2016 £469,119).

The Trustees neither received nor waived any remuneration during the current or preceding financial years. Travel expenses for their meetings reimbursed during the year amounted to £967 (2016: £1,716) and were paid to 3 (2016: 6) different individuals. The Charity operates a strict expenses policy that has been reviewed and approved by the Chairman and the Trustees and is applicable to all staff, Directors and Trustees. There are no transactions with related parties which require disclosure (2016: none).

## Notes to the Financial Statements continued...

### 4. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Long leasehold £	Short leasehold £	Motor Vehicles £	Computers £	Furniture & Equipment £	Total £
<b>Cost</b>								
At 1 April 2016	13,930,111	532,539	789,451	393,385	32,487	303,865	970,176	16,952,014
Additions	76,396	-	-	65,824	-	19,646	26,114	187,980
Adjustments*	-	(130,348)	-	-	-	-	-	(130,348)
Interfund transfers	-	(199,114)	-	199,114	-	-	-	-
<b>At 31 March 2017</b>	<b>14,006,507</b>	<b>203,077</b>	<b>789,451</b>	<b>658,323</b>	<b>32,487</b>	<b>323,511</b>	<b>996,290</b>	<b>17,009,646</b>
<b>Depreciation</b>								
At 1 April 2016	3,807,956	-	789,451	140,687	17,148	227,954	693,995	5,677,191
Charge for year	514,945	-	-	20,297	15,339	45,580	149,631	745,792
<b>At 31 March 2017</b>	<b>4,322,901</b>	<b>-</b>	<b>789,451</b>	<b>160,984</b>	<b>32,487</b>	<b>273,534</b>	<b>843,626</b>	<b>6,422,983</b>
<b>Net book value</b>								
At 31 March 2016	10,122,155	532,539	-	252,698	15,339	75,911	276,181	11,274,823
<b>At 31 March 2017</b>	<b>9,683,606</b>	<b>203,077</b>	<b>-</b>	<b>497,339</b>	<b>-</b>	<b>49,977</b>	<b>152,664</b>	<b>10,586,663</b>

FitzRoy House is held as security for the mortgage and is held at a carrying value of £1.0 million (2016: £1.0 million). See note 7 for details of the mortgage.

\*Write off fees from aborted property related projects.

## Notes to the Financial Statements continued...

### 5. INVESTMENTS

	2017 £	2016 £
Market Value at 1 April 2016	74,378	81,277
Net unrealised investment gain/(losses)	5,215	(6,899)
Market Value as at 31 March 2017	79,593	74,378
The historical cost of investments was £76,702 (2016: £76,702)		
Investments are analysed as follows:		
Government Bonds	14,000	14,000
UK Equities	37,924	35,409
UK Investment Trusts	16,833	14,360
UK Unit Trusts	10,836	10,609
TOTAL	79,593	74,378

### 6. DEBTORS AND PREPAYMENTS

	2017 £	2016 £
Fee debtors	1,253,871	1,081,153
Accrued income	355,490	201,430
Other debtors (including legacy)	77,627	1,228,654
Prepayments	182,023	141,824
	1,869,011	2,653,061

### 7. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	286,874	416,940
Accruals and deferred income	574,729	805,072
Other creditors	98,161	87,879
Pension liability	-	32,661
Taxation and social security	322,586	291,468
Bank Loan	79,971	78,580
	1,362,321	1,712,600

### CREDITORS: Amounts falling due in more than one year

	2017 £	2016 £
Pension liability	66,196	66,197
Bank Loan	86,698	166,904
	152,894	233,101

The terms of the bank loan are that the principal is being repaid in monthly instalments over a period of 15 years, and interest is charged on the balance outstanding offset by bank deposits at Bank Base Rate plus 1.25% subject to collar and cap. The loan is secured on the FitzRoy head office building.



## Notes to the Financial Statements continued...

During 2007/08 an amortising base rate collar, a financial instrument, was purchased for £19,500. The financial instrument capped the interest rate charged on the bank loan at 7% with a floor rate of 4%. This was effective from 2 April 2007 and runs to 1 April 2019. The fair value of the financial instrument at the balance sheet date is not considered to be materially different to its amortised cost of £4,875 (2016: £6,500)

### 8. FUNDS

	Balance at 1 April 2016	Incoming resources & unrealised loss	Outgoing resources	Inter fund transfers	Balance at 31 March 2017
	£	£	£	£	£
<b>Restricted funds</b>					
Amenity and Friends funds	300,627	123,414	(64,486)	(26,715)	332,840
Development funds	351,587	-	(4,416)	(138,032)	209,139
<b>sub-total</b>	<b>652,214</b>	<b>123,414</b>	<b>(68,902)</b>	<b>(164,747)</b>	<b>541,979</b>
<b>Designated funds</b>					
Fixed asset funds	11,029,339	-	(745,792)	136,450	10,419,997
Maintenance and redevelopment projects	250,000	-	(114,524)	114,524	250,000
<b>sub-total</b>	<b>11,279,339</b>	<b>-</b>	<b>(860,316)</b>	<b>250,974</b>	<b>10,669,997</b>
<b>General fund</b>	<b>2,336,125</b>	<b>27,223,239</b>	<b>(26,067,177)</b>	<b>(86,227)</b>	<b>3,415,960</b>
<b>Total funds</b>	<b>14,267,678</b>	<b>27,356,653</b>	<b>(26,996,395)</b>	<b>-</b>	<b>14,627,936</b>

#### Restricted Funds

The restricted funds relate to monies raised for specific projects in services or specific central support functions. Other Restricted Funds comprise unexpended donations resulting from specific appeals to be applied on development projects and smaller projects across the activities of the Charity. Transfers take place from the Development and Amenity funds to the Fixed Asset fund as a result of expenditure on capital items. Inter fund transfers represents designated funds previously classified as restricted funds, in recognition that the restriction placed on these funds has been fulfilled.

#### Designated Funds

The Fixed Asset Fund represents the net book value of unrestricted funds already invested in properties and other fixed assets less bank loan secured on certain of these assets. The Maintenance and Redevelopment Projects Fund represents estimated amounts required to fund the on-going refurbishment and maintenance programmes of properties in the next financial year and to invest in new projects or services.

## Notes to the Financial Statements continued...

### 9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Balance at 31 March 2017 £
Tangible fixed assets	10,586,663	-	10,586,663
Investments	79,593	-	79,593
Net Current Assets	3,572,595	541,979	4,114,574
Creditors: amounts due after more than one year	(86,698)	-	(86,698)
Provisions for liabilities	(66,196)	-	(66,196)
<b>Total</b>	<b>14,085,957</b>	<b>541,979</b>	<b>14,627,936</b>

### 10. PENSION SCHEMES

a) The Charity contributes towards three employee pension schemes. Both the Aegon Group Personal Pension Scheme and the Auto Enrolment Scheme are administered by Foster Denovo. The Aegon Personal Pension Scheme is a money purchase plan with the Charity contributing between 4% and 10% of members' salaries, and up to 1% for the Auto Enrolment Scheme.

b) The Charity is also a participating employer in the Federated Flexiplan No.1 Pension Scheme administered by Entrust Ltd. The Federated Flexiplan No.1 ("the plan") is a defined benefit pension scheme.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members was established.

#### Buy-Out of the Scheme Liabilities

The Scheme Trustee entered a buy-in covering the full Scheme liabilities with an insurer in February 2017 and anticipates that the transition to achieve full buy-out will be finalised in the first half of 2018. When that process is completed there will be no further legal or financial obligations to the Scheme.

#### Recovery Plan

As the Plan was in deficit at the latest actuarial valuation as at 31 March 2015 a recovery plan was put into place. Under this recovery plan, contributions of £2,063,417 per annum are payable from 1 April 2016 to 31 March 2017 and £1,555,556 per annum are payable from 1 April 2017 to 31 March 2019. However, the Scheme Actuary has now certified that no further contributions are required to be made in respect of the two years commencing 1 April 2017.

The Charity's agreed share of these contributions is £32,661 per annum from 1 April 2016. No other contributions are due from the Charity.

## Notes to the Financial Statements continued...

### 11. OPERATING LEASE COMMITMENTS

	Land & Buildings	Plant, Equipment & Vehicles	Other	Land & Buildings	Plant, Equipment & Vehicles	Other
	2017 £	2017 £	2017 £	2016 £	2016 £	2016 £
Total future minimum lease payments under operating leases, expiring:						
Within one year	238,882	283,169	53,592	167,741	272,704	11,337
In the second to the fifth year	838,033	377,023	49,898	593,844	388,047	6,494
After five years	572,737	-	7,216	635,164	-	-
<b>Total</b>	<b>1,649,652</b>	<b>660,192</b>	<b>110,706</b>	<b>1,396,749</b>	<b>660,751</b>	<b>17,831</b>

### 12. CAPITAL COMMITMENTS

There are no approved capital expenditure commitments.

### 13. TAXATION

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

# FitzRoy

## transforming lives

FitzRoy transforms lives every day, supporting people with learning disabilities to do the simple things that make a real difference to their everyday life.

Our values guide us each step of the way and are as important now as when the charity first began.

Our vision is a society where people are treated as equals, regardless of their disability. Our mission is to transform lives by supporting people with learning disabilities to lead the lives they choose.

### Join the conversation



Central Support, FitzRoy House, 8 Hylton Road, Petersfield, Hampshire GU32 3JY

Call: 01730 711 111 Web: [www.fitzroy.org](http://www.fitzroy.org)

Registered charity number 1011290. A Company Limited by Guarantee. Registered in England, number 2699902

