

# **FitzRoy Support**

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## **Trustee Report and Financial Statements for the year ended 31 March 2018**

# Reference and Administrative Information

The Trustees submit their Annual Report and Financial Statements for the year ended 31<sup>st</sup> March 2018.

## 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                                     |
| • Ian White ◆ ✦       | Vice-Chair                                |
| • Michael FitzRoy     | (resigned May 2018)                       |
| • Simon Mollett ❖     |   |
| • Andy Lee ❖ ◆ ✦      |   |
| • David Evans ◆ ✦     |   |
| • Lucy Chaudhuri ¥    |   |
| • Lucy Hovey ❖        |   |
| • Andrew Gore ¥       | (joined September 2017) resigned May 2018 |
| • Derrick McCourt     | (joined November 2017)                    |
| • Neil Matthewman ¥   | (joined November 2017)                    |
| • Matthew Moth        | (joined November 2017)                    |
| • Paul Wood ❖         | (joined November 2017)                    |
| • Helen Platts        | (retired September 2017)                  |

- ◆ Remuneration Committee
- ✦ Nominations Committee
- ❖ Finance Committee
- ¥ Quality Committee

## Executive Team

- |                    |   |
|--------------------|---|
| Anna Galliford     | Chief Executive and Company Secretary                                     |
| Liz Ambler         | Director of Operations & Business Development<br>(appointed March 2018)   |
| Marianne Radcliffe | Director of Communications  |
| Robyn Wedderburn   | Director of Human Resources   |
| Alison Heustice    | Director of Finance   |
| Diane French       | Director of Operations & Business Development (resigned<br>December 2017) |

**Registered  
Office**

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Petersfield  
Hants GU32 3JY

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Website [www.fitzroy.org](http://www.fitzroy.org)  
Email [info@fitzroy.org](mailto: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

# 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 79 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 798 people across England, with 366 people living in their own homes and 210 people supported in the community or at one of our five FitzRoy day opportunities. We provide support to 222 people who live in one of our 22 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 70 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

The last year has been a very successful one for FitzRoy with significant growth including success in fundraising, new services, new experience at Board and Executive level, and reduced staff vacancies.

We began the year on a strong footing, partly due to the new services in Coventry and Hampshire that we took over in the later part of 2016/17, and our continued improvement in staff retention and reduced vacancies across the organisation. The challenge to minimise staff turnover is being addressed through a focus on more staff engagement and improved communications, centralising agency recruitment, and streamlining recruitment processes in line with our values. Engaged and motivated staff are absolutely critical to delivering quality services and we continue to value staff as our biggest asset.

We have seen five new appointments to the Board which has given us fresh experience and oversight and a depth of professional expertise in the skills required to deliver our five-year strategy. We continue to invest in our strong governance in the recruitment of a new Chair of Trustees in the coming months.

We have been successful in winning contracts in our identified growth areas as well as increasing the number of people supported in both Hampshire and Nottingham, whilst also branching into Coventry. This contract was won on the back of our reputation as a quality provider in Hereford and demonstrates the value of our increasing profile and strong brand.

We were also successful in winning a new contract in Oxfordshire to deliver services for people with physical disabilities. This represents an important step for FitzRoy; building relationships in a neighbouring county to our current geography is a key plank in our growth strategy.

Whilst supporting more people is critical to our vision, our growth has been achieved whilst at the same time keeping tight control on management costs to deliver a competitive organisation. This means we have sometimes experienced stretch across staff teams both at services and those providing central support. We have been mindful of the need to resource new projects sufficiently so that we do not jeopardise the quality of our core business.

Our growth has enabled us to recruit a fourth regional manager and fourth peripatetic service manager which has reduced the operational geographic and management stretch across the country. We have also recruited a new Head of IT and Transformation, which is a recognition of the importance the transformation agenda will have on our future.

Improved relationships with local commissioning bodies means we have been able to deliver a long term sustainable future for some of our complex services. Our resilience and patience in contract negotiations with local authorities has been rewarded with excellent progress made on some long running projects and the re-provision of two established properties. We finally received planning permission to rebuild our residential care home in Essex, Timber Grove, and replace Silver Birches in nearby Teddington. Contract negotiations are hugely time consuming but critical to achieving long term viable quality services.

The external climate is unlikely to get any easier over the next few years, especially with the political focus elsewhere. We're also beginning to see pressure on inflation through RPI and continued increases in the National Living Wage (NLW). We welcome a slight easing from local authorities on funding pressures however, the regulatory constraints through increases in pension contributions, compliance with GDPR and further increases in NLW will continue to push our costs up faster than our income growth. The strong performance this year has positioned us well to weather these future pressures.

Over the next year we will continue in our drive to be a leading care provider and maintain our high standards of quality. Growth will be a challenge because of the complexity of the sleep-in crisis, and continued funding pressures. Our recent success in winning a large tender to support young adults in our homeland county of Hampshire will contribute towards our 10% growth target next year.

Against the backdrop of a very strong 2017/18 we venture into the future in a confident position.

## THE FUTURE

### See the Person

The care sector is under huge pressure to attract and retain staff given the low national unemployment rate. Staff engaged in both our strategy and our values continues to be critical to reduce staff turnover and increase job satisfaction.

Over the next year we will be rolling out our Leadership Programme which defines what it is like to be a leader at FitzRoy. This journey has been based on the insight we have gained from exit interviews and engagement surveys. Our programme will cover conflict management, effective coaching, good communication and instilling a feedback culture that really helps individuals learn and treats everyone equally and fairly.

We now employ 1312 people across 79 locations. Our focus moving forwards will be on enriching the experience of our colleagues, especially in the first year. The HR team will work with service managers to ensure we are much clearer about the day-to-day job and its complexities.

We recognise that we are a disparate organisation and some of our managers are spread across multiple sites. We will support our managers to have increased regular contact with their new recruits, face-to-face and on the phone, so they understand their role and feel much more valued and part of the team. We will also create more opportunities to visit our colleagues, listen to their voice and ensure all our internal communications reflect what they want to hear about.

Improved access to communication aids continues to be a big priority and our national forum for the people we support, called Nationwide regularly tells us how important assistive

technology (AT) is. Over the next year we will be piloting an AT project and fundraising appeal with a view to rolling it out across the organisation.

## Be Brave

One of the biggest journeys we will embark on over the next three years will be our digital transformation agenda. We recognise that technology is the enabler, and that the key driver in transformation will be cultural change delivered through our people. Over the coming months we will start to vision what the organisation needs to look like in three years' time to continue to be a leading care provider. Digital transformation will improve staff engagement, create a better customer experience, increase organisational efficiency and deliver services more effectively.

We are creating a Transformation sub-committee of the Board which will give guidance and oversight on our transformation strategy and will look at, for example, understanding the needs of our customers, how we make the right decisions about technology and how we measure success. We need to make this change and embrace innovation if we are to stand out in a crowded and volatile marketplace.

The tender for the upgrade of our rostering and HR system has been awarded to an external provider. This will be a key focus for everyone across the organisation as we replace our two core business systems. The project will also implement self-service for all staff which will in turn reduce the stretch of our service managers.

Our families are important partners and building a stronger relationship with them is recognised as core to our future strategy. Family engagement is also important to our growth as they are highly effective advocates for us. Spending time building relationships with families means that they are more engaged with us and what we do. Following on from a family engagement pilot, we are looking to identify regional family champions and develop materials that will signpost families to the important information they need.

To remain flexible in delivering sustainable growth we will be implementing new models of care, learning from our first Transforming Care Partnership (TCP) service. We will also look to build partnerships with housing providers to develop a range of supported living services, enabling us to be more responsive and nimble to future tenders and business growth.

With an increasing awareness about the growing funding crisis in social care and the impact it is having on people with disabilities, we are committed to giving a platform to the authentic voices of the people we support and all those who care for them.

FitzRoy is a small organisation and our position is not one of political campaigning, but to shine a light on the issues that matter most to our stakeholders and do this with credibility and authority. Following on from our successful Who Will Care When I am Gone? campaign in 2016, we will now develop the detail and strategy around our next thought leadership piece.

The re-provisioning of Timber Grove and Silver Birches, two big residential FitzRoy care homes will be a major project this year and we're really delighted the people we support will benefit from a better environment in modern homes.

## Be Creative

Embedding our active support and our new Love My Life quality outcomes framework will continue to be an operational priority, with best practice workshops and training to ensure it is rolled out effectively to all services.

We have secured three years of funding for our hugely successful dating and friendship project Love4Life. This has grown from 50 to 130 members and continues to expand across Hampshire. The funding will mean we can increase administrative support which will allow our project coordinator time to organise more events. This truly life changing, and fully fundraised project continues to help some of the most marginalised and vulnerable people in our society who often do not receive care provision but are at huge risk from abuse in the community. We will continue to invest in this project and our aim is to roll out a second project in another part of the country this year.

A theme of our communications strategy is to “show not tell” our audiences, and a key enabler of this is video. We plan to significantly increase how much video content we create for our internal and external audiences. It is predicted that by 2020 video will account for over three-quarters of mobile phone usage, and a Facebook survey last year found that video on social media is more likely to help people feel connected and engaged and has a greater emotional pull than traditional TV. We are investing in training and easy-to-use kit, so that we can be more agile and capture more stories on video to really show what it feels like to be a person supported by, or to work for FitzRoy.

## Achievements and Performance

The key projects and impact of our work over the financial year 2017/18 are outlined below.

### BE A VIABLE CARE PROVIDER

Best practice groups have been established across the organisation for the different types of service we provide - residential care, support at home, and nursing. The groups share key learnings, solutions and provide good peer support to colleagues. Most service managers are now engaged, and feedback is positive.

An Innovations Group identified the need to improve access to and use of AT to enhance our support to people with learning disabilities and to meet the increasing demand for this equipment.

We developed our own outcomes evidenced based model of support and branded it ‘Love My Life’ with input from our Nationwide Forum. This is a tool to support people to progress their goals and aspirations and will enable us to evidence the journey people have taken to show their successes and demonstrate everything we do with people day-to-day in developing their skills and aspirations. Love My Life has been rolled out across the organisation and we now need to make sure it’s imbedded in our services. This will be a good source of measurable qualitative data, and therefore better demonstrate our impact to professionals and customers.

Last year we embarked on the procurement of a replacement HR, Payroll and Rostering system, following an extensive tender process the contract has been awarded and the project is now into implementation.

In 2017/18 the IT systems underwent a move from Citrix remote access to Remote Desktop Services (RDS) following many issues with connections dropping out and remote workers losing data they were working on. With the change of system, we also replaced a large quantity of laptop devices across the country. This project completed around the end of October.

## **NURTURE A TALENTED WORKFORCE**

In 2017 we aimed to focus on the underlying reasons behind our staff turnover in the first months of employment, increase retention further, and improve staff engagement using a values-led approach to recruitment. We are delighted that we have lowered our vacancy rate to just over 6% by the end of the financial year. Recruiting good staff to join the team makes a real difference to all the people we support.

We have done a lot of work to reduce our spend on agencies, formalising and centralising agency recruitment so that there is consistency across the organisation. We have centralised all contracts, reviewed all terms and wherever possible negotiated a better rate.

We are finding creative ways to use the Apprenticeship Levy in challenging circumstances. We are hoping the Government reviews the current rules around accessing the levy to make it more flexible for our needs.

We have created a flexible induction process for new managers so that they feel part of FitzRoy and understand what is required of them. Using feedback from all new managers the HR team designed a modular programme outlining the time that managers will need with each department, which is flexible and suits individual needs and service requirements. This ensures an effective and efficient use of managers time.

To aid the retention of new staff, we have created a new starter journey. Service managers interview new starters after 6 weeks, and again after 12 weeks, and interview all staff leaving the organisation. We will use the information in these interviews to assess if their experience of the job is in line with what they expected, and how we can improve the understanding of the role of a support worker.

We believe we reward our staff well and that we benchmark competitively against the rest of the sector. The FitzRoy reward strategy has been designed to maintain a differential between the national living wage and our pay rates.

The performance of our fantastic HR team was recognised when we were shortlisted for an excellence in HR award in the Best HR team category, which is a great achievement.

## **HELP MORE VULNERABLE PEOPLE**

We have embarked on two major long-standing building projects. The plan to replace our residential care home, Timber Grove, in Essex first started over a decade ago, and in the last year we had to completely redesign the planning application at the request of the council and commissioners. Planning permission was finally achieved in February 2018 and a project plan has been prepared for construction of three four-bedroom chalet bungalows for the people we currently support at the existing Timber Grove. We hope construction will start within the next six months and all being well expected completion will be late 2019.

Building work commenced in 2017 on a 10-bed care home to replace our existing care home Silver Birches in Teddington. The new property is within a development of flats and apartments and supported living units. Completion of the whole site is planned for May 2019.

We have developed a housing management function to manage properties on behalf of other freehold landlords, where we are also the care provider, and to manage properties that we own. This will improve the property maintenance and management of the buildings for the benefit of the tenants, the people that we support. In development of this function we have ensured clear separation between the care provision and housing management. The housing management arm issues and manages tenancies on behalf of the freeholder.

During the last year, we have designed a model of support which will allow us to deliver transforming care contracts and enable us to enter this complex-needs market. Our approach embeds the skills, competencies and governance to effectively deliver the five areas of our model of enhanced supported living for people from the transforming care cohorts: independent living, personal care and medication support, effective community integration, positive behavioural support and risk management.

We are also developing a new model of Transition to support our strategy to acquire and deliver services to young people with a learning disability. Linked to this is our family engagement strategy; more of which will be rolled out across the organisation over the next year.

We have developed a strategy to provide respite and short stay beds in existing services when available and are continuing to redefine our existing day services to be more of a portfolio of activities which will in turn attract new people. This adult learning-based approach to delivering day services with courses is similar to a college style prospectus.

## **DEVELOP EXCEPTIONAL RELATIONSHIPS**

Our staff are highly valued and crucial to the continued success of our organisation. We have spent a lot of time investing in relationships between the executive team, central support and our support staff across the country.

In 2017/18 we listened to our colleagues in the regions on strategy road shows and gained useful feedback on the day-to-day pressures our staff face. This has fed into our internal communications strategy to improve the voice of all colleagues and help everyone who works at FitzRoy understand our values.

We have rolled out the FitzRoy brand with a range of tools to support colleagues and improved communication methods through staff forums. We continue to seek feedback from all our staff as we develop our internal communications further this year.

We commenced our project to deliver a new intranet site to improve internal communications with a big focus on user experience and encouraging our staff to use it frequently. The site is being designed to improve the sharing of information across the organisation, reduce internal email traffic and will also be a one-stop-shop for staff to access all the important documents and tools they need.

To help position FitzRoy as a values-led organisation, the Communications team has worked closely with Operations to develop our external voice in national and sector press. This work continues into this year as we plan which issues we should have a voice about in the learning disability sector. Communications and Operations have also worked together to increase the visibility of legacy giving to show our organisation the value of this important income stream.

To ensure we are getting good feedback from the people we support and that their voice is heard we have looked at how effective our Nationwide Forum is. We now have 12 representatives, three from

each of our four regions, and we are currently advertising for new members to fill some vacancies. This year several key operational projects have commenced following feedback from our Nationwide Forum, for example, improving our use of AT and IT as we recognise that there are systems that will really open up communication for people.

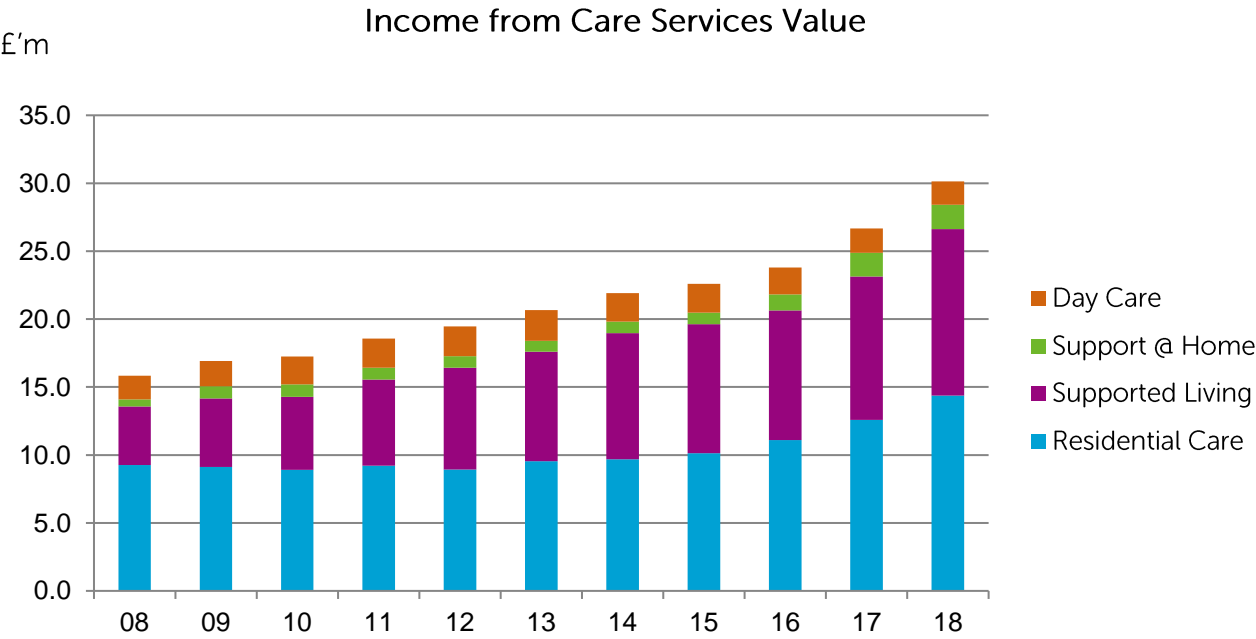
Nationwide has also advised us on our easy-read communications so that we can ensure our policies are easily accessible by everyone we support. We are investing in making all our policy guides more accessible, not just as easy-read versions, but also video and audio versions for people who have limited or no verbal communication skills. We are now in the process of reviewing the 20 internal policies we have which directly affect the people we support.

## Financial Review

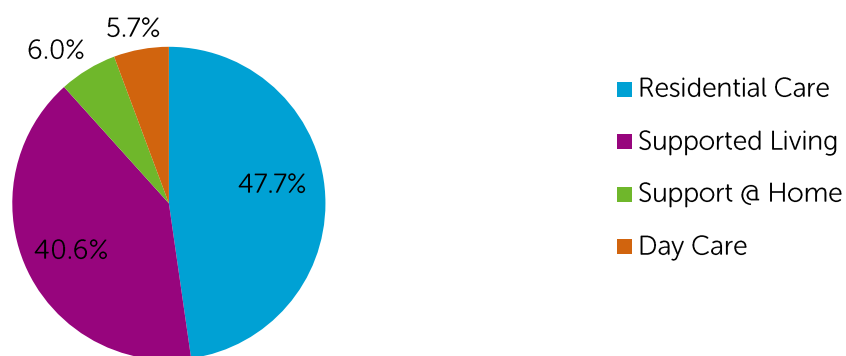
Despite ongoing legislative pressures on the sector, FitzRoy has achieved significant growth in income during 2017/18. This, along with a continued focus on efficiencies and cost savings whilst ensuring delivery of quality care, is reflected in the strong performance for the year. As well as working to deliver the best value for money, we continue to build on our strong 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

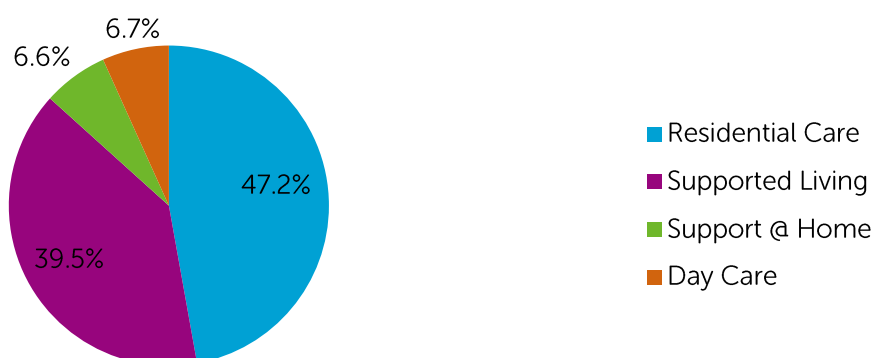
Total income grew by 13.2% in 2017/18, despite the lack of any merger, with fees continuing to be the primary source of income. In the year to March 2018 we saw income from care services increase by 13% to £30.2m, following the trend from 2016/17. This was due to continued expansion in supported living services in Hampshire, Nottingham and Oxford, along with the full year effect of 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.



## 2017/18 Mix of Income



## 2016/17 Mix of Income



Support for people living in long term residential care has grown this year because of successful contract negotiations in Coventry and Norfolk. Supporting people in their own homes continues to be a critical focus for us and has resulted in new business in Oxford as well as increased business in Hampshire and Nottingham. Day care has seen a slight drop this year due to a reduction in residential related offerings.

The performance of our overall Fundraising activities performed well with donations of £586k for the year against a target of £400k. Our income benefitted from legacy donations of £217k, along with support from various Charitable Trusts and locally held fundraising events.

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.

## EXPENDITURE

Total expenditure increased in the year by 10.9% reflecting the growth in service provision and resulting in economies of scale. We have reduced our spend on agency staffing this year by 0.5%. This has been achieved by a continual focus on the quality of care delivered, coupled with a drive to improve staff recruitment and retention. 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 whilst keeping fee debtor balances as low as possible. The

uplift in Local Authority debtor's year on year reflects the growth in fee income, changes in local authority payment terms as well as some challenges with their systems.

## 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 considering 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 free reserves increased by £1.0M to £4.5m due to the positive performance this year. Cash reserves have increased from £3.6m to £4.0m following a positive operational year and the fundraising surplus for 2017/18.

At 31 March 2018 FitzRoy held a total of £15.6m in reserves, with £0.6m Restricted, £10.6m Designated (made up of Fixed asset fund of £9.9m and Maintenance & Redevelopment fund of £0.55m) and £4.46m Free Reserve. It is expected that the designated Maintenance & Redevelopment fund will be utilised during 2018/19 to facilitate maintenance of our properties.

	£k
<b>Restricted Funds:</b>	
Amenity, Friends & Development	570
<b>Designated Funds:</b>	
Fixed Asset Fund	9,948
Maintenance & redevelopment	633
<b>General Funds:</b>	
Free Reserve	4,465
<b>TOTAL FUNDS</b>	<b>15,616</b>

## 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 reduced this year to £6.0k from £12.9k in the previous year to March 2017. The capital value of investments decreased this year with an unrealised loss in the year of £9.3k 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 principal 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 1.6% within the 2017/18 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, the sector continues to call upon the Government and Local Authorities to recognise the increasing funding pressure we face, specifically around the National Living Wage, increase in pension costs and sleep-in payments.

The overall vacancy rate of people that use our services remains low, at 1.6% 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, 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.

## 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 (as well as ongoing updates throughout the year) 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, this is an opportunity to reflect on the strategic direction of the Charity and 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 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 Charity works to a policy that ensures:

- fair and full consideration of applications for employment made by disabled persons
- continuing employment of and training of employees who become disabled while employed
- training, career development and promotion of disabled persons.

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 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 two full time equivalent professional fundraisers. This year we contracted with three external consultants on trust fundraising, database management and Gift Aid.

FitzRoy has 91 services across England and we encourage all 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 several internal policies which relate to supporters. These are regularly reviewed by the 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 2017/18.

## ORGANISATIONAL CHANGES

### Board of Trustees

We sadly said goodbye to two trustees this year, Helen Platts and Michael FitzRoy.

Helen retired in September 2017 after her second term with FitzRoy which both spanned over a decade each. We would like to thank Helen for her tremendous contribution to the quality of our service delivery and her involvement with the people we support in the governance of the organisation.

FitzRoy has always valued its close association with the FitzRoy family and it's with sadness that Michael FitzRoy resigned in May this year to focus on business commitments. We would like to thank him for his contribution during his time on the board.

We are delighted to have strengthened our skills following a successful trustee recruitment campaign in the summer of 2017, welcoming five new trustees to our board Andrew Gore, Derrick McCourt, Neil Mathewman, Matthew Moth and Paul Wood.

### Executive Team

Diane French, our Director of Operations, resigned in December 2017. In her time with FitzRoy Diane contributed to significant growth and increased our quality assurance.

We are delighted to have welcomed Liz Ambler as our new Director of Operations in March 2018. Liz has worked in health and social care for 25 years and brings a wealth of operational and clinical experience to FitzRoy.

### 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 5 September 2018 and are signed on their behalf by:



Julia Le Blan

Trustee and Chair of the Board of Trustees

# Independent Auditor's Report to the Members of FitzRoy

## Opinion

We have audited the financial statements of FitzRoy Support ("the Charitable Company") for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions related to going concern

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

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

## Other information

The other information comprises the information included in the Trustees report including strategic report, other than the financial statements and our auditor's report thereon. The other information comprises: references and administrative information. The Trustees are **responsible for the other information**.

## **Independent Auditor's Report to the Members of FitzRoy continued.**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

### Use of our report

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

BDO LLP

Julia Poulter (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date 5<sup>th</sup> September 2018

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 2018 (Incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Total to 31 March 2018	Total to 31 March 2017
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and Legacies		347,583	238,425	586,008	586,002
Charitable Activities - Income from care services		30,189,117	-	30,189,117	26,752,514
Investment income & interest receivable		6,059	-	6,059	12,922
<i>Other:</i>					
Gain on sale of fixed asset		172,987	-	172,987	-
<b>Total Income</b>	2	30,715,746	238,425	30,954,171	27,351,438
<b>Expenditure on:</b>					
Raising Funds		131,064	-	131,064	136,936
Cost of care services		29,673,551	151,346	29,824,897	26,859,459
<b>Total Expenditure</b>	3	29,804,615	151,346	29,955,961	26,996,395
<b>Net income/(expenditure)</b>		911,131	87,079	998,210	355,043
Net gains/(loss) on revaluation of investments	5	(9,319)	-	(9,319)	5,215
Transfers	8	58,744	(58,744)	-	-
<b>Net movement of funds</b>		960,556	28,335	988,891	360,258
<i>Reconciliation of funds:</i>					
Total funds brought forward	8	14,085,957	541,979	14,627,936	14,267,678
<b>Total funds carried forward</b>	8	15,046,513	570,314	15,616,827	14,627,936

- \* 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 22 to 30 form part of these financial statements.

# Balance Sheet as at 31 March 2018

Company Registration Number: 2699902

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4				
Property		9,899,844		10,384,022	
Equipment		134,517		202,641	
		10,034,361		10,586,663	
Investments	5	65,256		79,593	
		10,099,617		10,666,256	
<b>Current assets</b>					
Debtors	6	3,228,165	1,869,011		
Bank deposits		3,448,103	2,919,840		
Cash at bank and in hand		551,886	688,044		
		7,228,154	5,476,895		
Creditors: amounts falling due within one year	7	(1,632,336)	(1,362,321)		
<b>Net Current Assets</b>		5,595,818		4,114,574	
Total assets less current liabilities		15,695,435		14,780,830	
Creditors: amounts falling due in more than one year	7	(12,412)		(86,698)	
Provisions for liabilities	7	(66,196)		(66,196)	
<b>Total Net Assets</b>		15,616,827		14,627,936	
<b>Funds</b>					
Restricted income funds	8,9	570,313		541,979	
Designated funds	8,9	10,580,845		10,669,997	
Unrestricted income fund	8,9	4,465,669		3,415,960	
<b>Total charity funds</b>	8,9	15,616,827		14,627,936	

The notes on pages 22 to 30 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 5 September 2018 and signed on its behalf by:



JULIA LE BLAN  
Trustee and Chair of the Board of Trustees



SIMON MOLLETT  
Trustee and Chair of Finance Committee

## Cash Flow Statement for the year ended 31 March 2018

	Notes	2018	2017
		£	£
<b>Net cash inflow from operating activities</b> (See note below)		<b>437,170</b>	<b>1,666,702</b>
<b>Cash flows from investing activities:</b>			
Interest received		4,307	8,267
Investment income		1,752	4,655
Purchase of tangible fixed assets	4	(147,553)	(187,980)
Proceeds on sale of fixed assets	*	186,861	
<b>Net cash from investing activities</b>		<b>45,367</b>	<b>(175,058)</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(80,150)	(78,815)
Interest paid		(10,282)	(16,062)
<b>Net cash used in financing activities</b>		<b>(90,432)</b>	<b>(94,877)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>392,105</b>	<b>1,396,767</b>
<b>Cash at start of year</b>		<b>3,607,884</b>	<b>2,211,117</b>
<b>Cash at end of year</b>		<b>3,999,989</b>	<b>3,607,884</b>
<b>Increase in Cash</b>		<b>392,105</b>	<b>1,396,767</b>

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

	2018	2017
	£	£
Net incoming resources	988,891	360,258
Non- Cash adjustment to Assets under Construction	-	130,348
Return from investments	(6,059)	(12,922)
(Gains)/losses on investments	9,319	(5,215)
Bank interest paid	10,282	16,062
Depreciation charge	699,855	745,792
Surplus on sale of asset	(181,844)	-
Decrease/(Increase) in debtors	(1,359,154)	784,050
Increase/(Decrease) in creditors	275,880	(430,486)
<b>Net cash inflow from operating activities</b>	<b>437,170</b>	<b>1,587,887</b>

\*Proceeds on sale of fixed assets relate to the sale of garages in Newhaven where the value on the asset register was zero.

The notes on pages 22-30 form part of these financial statements.

# Notes to the Financial Statements for the year ended 31 March 2018

## 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) Going concern**  
After reviewing the charity's forecasts and projections, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.
  - i) Debtors**  
Fee and other debtors are measured at their recoverable amounts, prepayments are valued at the amount prepaid at 31 March 2018.
  - j) Operating leases**  
Operating lease rentals are charged to the Statement of Financial Activities as they become due.
  - k) 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.
  - l) 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.
  - m) Key judgements & estimates**  
There are no critical judgements or estimations either included within these financial statements or considered for the future of the charity.
  - n) 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. £238.425 (2017 £123,414) of income from donations & legacies is classified as restricted, all other income was unrestricted.

## Notes to the Financial Statements continued...

### 3. EXPENDITURE

	Staff Costs £	Other Costs £	Total 2018 £	Total 2017 £
<i>Expenditure on:</i>				
Cost of Care Services				
Direct	23,100,575	4,495,771	27,596,346	24,543,267
Support	1,214,223	-	1,214,223	1,159,313
Marketing	-	36,803	36,803	46,166
Business Systems	-	121,847	121,847	201,048
Depreciation	-	73,784	73,784	88,560
Recruitment/Training/Insurance	-	110,731	110,731	115,488
Office & administration	-	533,184	533,184	564,472
Governance	105,000	32,979	137,979	141,145
	24,419,798	5,405,099	29,824,897	26,859,459
<i>Expenditure on raising funds:</i>				
Fundraising and publicity costs	81,605	49,459	131,064	136,936
<b>Total Outgoing Resources</b>	<b>24,501,403</b>	<b>5,454,558</b>	<b>29,955,961</b>	<b>26,996,395</b>

Last year's expenditure included £68,902 classified as restricted against the cost of care services.

	2018 £	2017 £
<b>Total resources expended are stated after charging:</b>		
Auditor's remuneration –		
Audit services	23,082	27,139
Tax services	1,784	-
Depreciation of fixed assets	699,855	745,792
Lease Payments –		
Land & buildings	122,481	139,750
Plant, Equipment & Vehicles	369,127	346,219
	2018 £	2017 £
<b>Other costs, analysed above as Governance, cover the following categories:</b>		
Auditor's remuneration	24,866	27,139
Trustee meeting costs	6,396	4,862
Governance related professional fees	13	3,177
Trustee expenses	1,704	967
	32,979	36,145

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.

## Notes to the Financial Statements continued...

	2018	2017
	£	£
Staff costs during the year amounted to:		
Salaries	20,151,350	17,724,174
Redundancy costs	11,500	-
Social security costs	1,446,690	1,276,613
Employer's pension contributions	478,986	494,681
Apprenticeship levy	85,708	-
Other forms of employee benefits	65,768	64,631
	<b>22,240,002</b>	<b>19,560,099</b>
Agency staff costs	2,321,156	2,247,870
	<b>24,561,158</b>	<b>21,807,969</b>

	Number 2018	Number 2017
The average number of full time equivalent including overtime and non-contracted staff but excluding agency staff was:		
Care provision	918	825
Fundraising	3	3
<b>Total</b>	<b>921</b>	<b>828</b>

	Number 2018	Number 2017
The average number of staff, comprising both part and fulltime employees, during the year, analysed by function was:		
Care provision	1289	1157
Fundraising	5	3
<b>Total</b>	<b>1294</b>	<b>1160</b>

At 31 March 2018, the Charity employed 510 (2017: 464) full time staff and 629 (2017: 798) 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 2018	Number 2017
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1

For the above members of staff pension contributions amounting to £38,053 (2017: £38,580) were paid into a money purchase plan. Total salaries paid to key management personnel & directors amounted to £418,211 (2017: £428,832).

## Notes to the Financial Statements continued...

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 £1,704 (2017: £967) and were paid to 6 (2017: 3) 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 (2017: none).

### 4. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under constructio n £	Long leasehol d £	Short leasehol d £	Motor Vehicle s £	Computer s £	Furniture & Equipment £	Total £
<b>Cost</b>								
At 1 April 2017	14,006,507	203,077	789,451	658,323	32,487	323,511	996,290	17,009,646
Additions	46,772	44,167	-	-	-	-	56,614	147,553
<b>At 31 March 2018</b>	<b>14,053,279</b>	<b>247,244</b>	<b>789,451</b>	<b>658,323</b>	<b>32,487</b>	<b>323,511</b>	<b>1,052,904</b>	<b>17,157,199</b>
<b>Depreciation</b>								
At 1 April 2017	4,322,901	-	789,451	160,984	32,487	273,534	843,626	6,422,983
Charge for year	518,971	-	-	56,147	-	25,380	99,357	699,855
<b>At 31 March 2018</b>	<b>4,841,872</b>	<b>-</b>	<b>789,451</b>	<b>217,131</b>	<b>32,487</b>	<b>298,914</b>	<b>942,983</b>	<b>7,122,838</b>
<b>Net book value</b>								
At 31 March 2017	9,683,606	203,077	-	497,339	-	49,977	152,664	10,586,663
<b>At 31 March 2018</b>	<b>9,211,407</b>	<b>247,244</b>	<b>-</b>	<b>441,192</b>	<b>-</b>	<b>24,597</b>	<b>109,921</b>	<b>10,034,361</b>

FitzRoy House is held as security for the mortgage and is held at a carrying value of £1.0 million (2017: £1.0 million). See note 7 for details of the mortgage.

## Notes to the Financial Statements continued...

### 5. INVESTMENTS

	2018	2017
	£	£
Market Value at 1 April 2017	79,593	74,378
Disposals	(5,018)	-
Net unrealised investment gain/(losses)	(9,319)	5,215
Market Value as at 31 March 2018	65,256	79,593

The historical cost of investments was £60,045 (2017: £64,785)

Investments are analysed as follows:

Government Bonds	14,000	14,000
UK Equities	29,018	37,924
UK Investment Trusts	17,391	16,833
UK Unit Trusts	4,847	10,836
TOTAL	65,256	79,593

### 6. DEBTORS AND PREPAYMENTS

	2018	2017
	£	£
Fee debtors	2,067,600	1,253,871
Accrued income	905,747	355,490
Other debtors (including legacy)	77,755	77,627
Prepayments	177,063	182,023
	3,228,165	1,869,011

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

	2018	2017
	£	£
Trade creditors	320,094	286,874
Accruals and deferred income	775,094	574,729
Other creditors	110,588	98,161
Pension liability	-	-
Taxation and social security	352,455	322,586
Bank Loan	74,105	79,971
	1,632,336	1,362,321

Deferred income relates to fundraising events taking place in the following financial year £1.5k (2017 £4.k).

### Contingent liabilities

During the year the charity signed up to HMRC's Social Care Compliance Scheme. The liability in relation to back dated pay for sleep in payments at national minimum wages was estimated at £500k. Post year end Mencap won its court appeal against the previous court ruling on this matter and HMRC suspended the SCCS. However as Unison have requested the right to appeal the current ruling, there is still uncertainty for the sector on whether or not liabilities will need to be settled.

## Notes to the Financial Statements continued...

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

	2018	2017
	£	£
Pension liability	66,196	66,196
Bank Loan	12,412	86,698
	<b>78,608</b>	<b>152,894</b>

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.

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 £1,625 (2017: £3,250)

### 8. FUNDS

	Balance at 1 April 2017	Incoming resources & unrealised loss	Outgoing resources	Inter fund transfers	Balance at 31 March 2018
	£	£	£	£	£
<b>Restricted funds</b>					
Amenity and Friends funds	332,840	238,425	(127,666)	(30,597)	413,002
Development funds	209,139	-	(23,680)	(28,148)	157,311
<b>sub-total</b>	<b>541,979</b>	<b>238,425</b>	<b>(151,346)</b>	<b>(58,745)</b>	<b>570,313</b>
<b>Designated funds</b>					
Fixed asset funds	10,419,997	172,987	(699,856)	54,717	9,947,845
Maintenance and redevelopment projects	250,000	-	(123,602)	506,602	633,000
<b>sub-total</b>	<b>10,669,997</b>	<b>172,987</b>	<b>(823,458)</b>	<b>561,319</b>	<b>10,580,845</b>
<b>General fund</b>	<b>3,415,960</b>	<b>30,533,440</b>	<b>(28,981,157)</b>	<b>(502,574)</b>	<b>4,465,669</b>
<b>Total funds</b>	<b>14,627,936</b>	<b>30,944,852</b>	<b>(29,955,961)</b>	<b>-</b>	<b>15,616,827</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 because 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.

## Notes to the Financial Statements continued...

### 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.

### 9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Balance at 31 March 2018
	£	£	£
Tangible fixed assets	10,034,361	-	10,034,361
Investments	65,256	-	65,256
Net Current Assets	5,025,505	570,313	5,595,818
Creditors: amounts due after more than one year	(12,412)	-	(12,412)
Provisions for liabilities	(66,196)	-	(66,196)
<b>Total</b>	<b>15,046,514</b>	<b>570,313</b>	<b>15,616,827</b>

### 10. PENSION SCHEMES

- a) The Charity contributes towards three employee pension schemes. 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 Aviva in February 2017. The full buy-out of the plan has now been completed (May 2018), with no further legal or financial obligations to the Scheme for contributing employers.

## Notes to the Financial Statements continued...

### 11. OPERATING LEASE COMMITMENTS

	Land & Buildings	Plant, Equipment & Vehicles	Other	Land & Buildings	Plant, Equipment & Vehicles	Other
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Total future minimum lease payments under operating leases, expiring:						
Within one year	252,563	233,818	23,234	238,882	283,169	53,592
In the second to the fifth year	774,966	268,860	15,417	838,033	377,023	49,898
After five years	486,731	-	3,835	572,737	-	7,216
<b>Total</b>	<b>1,514,260</b>	<b>502,678</b>	<b>42,486</b>	<b>1,649,652</b>	<b>660,192</b>	<b>110,706</b>

### 12. CAPITAL COMMITMENTS

A new Rota/HR/Payroll system has been placed on order and is expected to be implemented by the end of 2018/19, with an initial set-up and first year cost in the region of £295k.

### 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.

### 14. Related party transactions

There were no related party transactions carried out during the year.

# 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



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