

FitzRoy Support

Trustee Report and Financial Statements for the year ended 31 March 2019

Reference and Administrative Information

The Trustees submit their Annual Report and Financial Statements for the year ended 31st March 2019.

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:

• Martin Kyndt	◆¥	Chair (appointed January 2019) Appointed as Trustee September 2018
• Julia Le Blan	◆❖	Chair (resigned September 2018)
• Ian White	◆+	Vice-Chair (resigned March 2019)
• Simon Mollett	+❖	
• Andy Lee	+❖	
• David Evans	◆+○	
• Michael FitzRoy		(resigned May 2018)
• Lucy Chaudhuri		(resigned September 2018)
• Lucy Hovey	+❖	
• Andrew Gore	¥	(resigned April 2018)
• Derrick McCourt		
• Neil Matthewman	¥○	
• Matthew Moth	+	Vice-Chair
• Paul Wood	❖○	(resigned June 2019)
• Dawn Jacobs		(appointed May 2019)

- ◆ Remuneration Committee
- + Nominations Committee
- ❖ Finance Committee
- ¥ Quality Committee
- People Committee

Executive Team

Anna Galliford	Chief Executive and Company Secretary
Liz Ambler	Director of Operations & Business Development
Marianne Radcliffe	Director of Marketing, Fundraising and IT
Robyn Wedderburn	Director of Human Resources
Alison Heustice	Director of Finance

**Registered
Office**

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London
W1U 7EU

Bankers

Nat West PLC
39 The Borough
Farnham
Surrey
GU9 7NP

Barclays Bank PLC
The Old Bank
High Street
Lewes
BN7 2JP

Solicitors

Blake Morgan LLP
New Kings Court, Tollgate
Chandler's Ford, Eastleigh
Hampshire, SO53 3LG

Potter, Owtram & Peck
42 West Street
Haslemere
Surrey, GU27 2AN

Trustees Report including Strategic Report

OBJECTIVES AND ACTIVITIES

FitzRoy transforms lives every day, supporting people with disabilities to do the things that make a real difference to their everyday life. FitzRoy started as a pioneering organisation, set up by parents who were determined that their children with learning disabilities would not grow up in institutional care and instead could live in loving homes with opportunities to learn, grow and thrive.

Nearly 60 years on we remain passionate that people with learning disabilities and autism have choices and get the support they need to fulfil their potential and gain independence. We push beyond traditional care provision and address the many misconceptions about what life for a person with disabilities should be like. We are driven by seeing people flourish when they connect with their communities, learn, work, volunteer, and enjoy relationships.

We provide support for people with learning disabilities, physical disabilities, and autism, and some of the people we support have additional mental health needs.

The people we support are at the heart of everything we do and the decisions we make.

Our vision: A society where people are treated as equals, regardless of their disability.

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

Our values:

- **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 run 78 services across England supporting 831 people. Some individuals use several of our services. Of the people we support, 384 live in their own homes, 217 are supported in the community or at one of our five FitzRoy day opportunities, and 230 live in one of our 21 registered care and nursing homes. 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

This year has been one of growth and learning at FitzRoy with new services opening, new faces across our staff teams, and a new Chair of the Board of Trustees. We have been listening and engaging with our colleagues, evolving as an organisation and embracing change.

Remaining true to our values has been essential - being creative in the way we deliver support and engage with our staff; being brave in taking on new initiatives, upgrading our systems and expanding projects; and continually seeing the person in everything we do.

We have a lot to celebrate as we continue to transform lives across the country. Despite the financial pressures and staffing challenges in the social care sector, we have outperformed both our operational and fundraising forecasts.

We have ended the year in a good financial position finishing 2018/19 with an income growth of 7.5% on the previous year. This builds on our income growth of 13% in 2017/18 and 12% in 2016/17. Our growth has come from new contracts in Hampshire and Nottingham and partnership working in Kent.

We will continue to strengthen our operations teams, and the investment in a new rostering, HR and payroll system, and a bespoke leadership development programme will play a key part

in this. Improving our systems will allow our service managers to spend more time focusing on quality and outcomes for the people we support.

Our aspiration is always to deliver the best possible support to the people who use our services. Our ambition for quality is an expectation that all our services receive a minimum of a 'good' CQC rating. We recognise this is a challenge, and recently we have experienced a CQC report that was less than we aspire to achieve. As the organisation grows, we continue to invest in quality and plans are in place to further expand our quality team.

The challenge of delivering successfully within the pressures of the external environment should not be underestimated. As with many social care providers, we face difficulties in recruiting and retaining staff due to National Living Wage (NLW) pressures and the lowest unemployment level in decades. While funding has improved slightly to help compensate for the increases in NLW, we face a pressing issue common across the sector of increasing staff turnover.

There is no doubt that the social care sector is suffering from a lack of direction and reform from central Government. The continued delay to the Social Care Green Paper is having serious consequences on many disabled people and their families. We, like many providers, would welcome greater political commitment to the increasingly urgent needs of the sector.

We were delighted to welcome Martin Kyndt as Chair in January 2019 following a successful recruitment campaign. Since joining Martin has spent a lot of time visiting services, meeting staff and getting a real understanding about FitzRoy. This year we have advertised for new Trustees externally via a variety of channels including LinkedIn and charity recruitment sites. We've been pleased to get a good response of candidates with great skills to add to our experience at board level. We are looking forward to welcoming some new faces to the Board of Trustees over the next year, which will broaden our skillsbase further in finance, legal and social care.

Last summer we were honoured to host Her Royal Highness Princess Alexandra, our Royal Patron, when she officially opened our Stepping Stones service in Suffolk. Stepping Stones is home to four young women who have been friends since school and have realised their dream to live independently together. Alice, Alison, Tess and Izzy really enjoyed showing off their new home to such a special guest. We thank HRH Princess Alexandra and Patron Lady Clare Euston for giving their time to us. We are incredibly fortunate to have such a committed Royal Patron who has been with us during many decades of change and growth.

It is, of course, the daily achievements of the people we support that give us all a great sense of purpose in what we do and remind us why FitzRoy exists. Over this year we have seen some amazing goals reached and dreams realised.

For example, Dillon who took his first steps in 20 years with the aid of a walking jacket. He was told he would never walk again following an epileptic seizure at the age of five. But staff at our Nottingham Supported Living service have been trying many ways to help him improve his mobility and muscle strength. Dillon confounded all expectations when he took his first steps; he was screaming with laughter and excitement.

Bex, who lives at our Malvern residential care home, communicates mainly through finger gestures and facial expressions. Thanks to a grant from the Karten Network, Bex has been using a CleverTouch screen and iPad, and the MyChoicePad app, which helps communication

through Makaton sign language. Bex was able to press the button for 'Mum' which was the first time she could express what she wanted to say using spoken words.

Natalie moved into our Chineham service in December and received the best Christmas present that she could ask for – her first forever home. She has had her own front door and her first settled, permanent home where she isn't sharing with other people.

In Natalie's words:

"This is the first time I have lived on my own, in my own place. I am really excited, I wasn't nervous at all! Since moving in I have been really busy. I have been going to the shops with FitzRoy staff, buying food, getting out and about in the community. I have been shopping for things I need for my home...The staff here are so nice, they are really fun.."

We have some exciting projects and priorities in the year ahead, as we continue to grow and learn, making sure we stay true to our heritage by challenging the status quo and embracing new ideas.

THE FUTURE

FitzRoy's Strategy for 2019-2022

In November at our annual Strategy Away Day we discussed with the Trustee Board our strategic position going forward for the next three years to 2022. This will take us to our 60th anniversary.

Our strategy is designed to respond to the needs of the organisation and reflect the reality on the ground. We are operating in difficult times, with increasing funding pressures against a backdrop of political uncertainty. However, we have a lot to look forward to as we plan how we can make a real difference to the lives of the people we support and the working lives of all our colleagues.

Our three overarching themes are:

- **Support people with disabilities to flourish**

We will deliver the best possible support to the people who use our services, empowering people to make decisions about what they want to achieve and invest in fundraising to continue to transform their lives.

- **Respect and appreciate our remarkable staff**

Committed staff who are driven by our values are the biggest asset we have. We will focus on strong leadership so that FitzRoy is a great place to work, where we are all accountable, recruit the best people, and develop and retain our remarkable staff.

- **Thrive as a values-driven care provider**

The environment in which we operate has never been more challenging and we need a competitive edge. We will embrace and invest in digital transformation to drive innovation and deliver sustainability now and in the future.

The Trustees have approved this overall strategy of which Year One, 2019/20, will form the foundation for the years ahead and has informed the budget for 2019/20.

Achievements and Performance

An outline of the key projects and impact of our work over the financial year 2018/19

See the Person

Listening to the people we support

Our national service user forum, Nationwide, has been giving us feedback this year. Director of Operations and Business Development, Liz Ambler, and Trustee, David Evans, attended a Nationwide meeting in September 2018 to hear directly from the members.

Their feedback included:

- Making the annual satisfaction survey shorter and easier to complete
- How to increase membership of Nationwide with more video content to show what Nationwide members do
- How to support people's communications needs
- The importance of digital technology in daily life
- How to improve our easy read guides and policies
- Our new Love My Life outcomes tool

This has helped us to develop our key projects aligned to the expectations and hopes of the people we support.

Listening to our staff

Directors held a Strategy Roadshow in September and October at five events, meeting with all service managers and deputies across the organisation and with our Central Support team. We focused on the future and asked staff what their vision is for the people we support and the organisation.

We grouped the feedback we received from the strategy roadshows, staff forums and the staff engagement survey into themes that were discussed with the Trustees as we developed our future strategy. Our key projects in the next business year will be acting on the feedback from staff.

Developing great leaders

Last year we identified that our management teams need greater support and development to give them the skills and confidence to lead in an authentic and engaging way. We appointed leadership development specialists Change Gear to design a Leadership

Development Programme and all managers and deputies, including managers at Central Support, are attending the course over the next 18 months. This is a key plank in developing our managers for the future, recognising that their strength as inspirational leaders is critical to our future success particularly in staff retention, engagement and delivering quality support.

Feedback from the first two cohorts has been very positive, as shown by this comment from one of our deputy managers:

"Right from the start it felt really different to the usual training we have. It kicked off straight away with a fast-moving, exciting workshop that everyone felt comfortable with, bringing out the best in all of us. It's all about learning about yourself and developing yourself. It's about you and your choices. I like that – I like that a lot!"

To help communication with the people we support, particularly for those who are non-verbal, we are giving our managers a suite of tools to develop their teams and embed new communication methods. This year one of our Quality Managers has trained a network of service managers to be Makaton Champions to support and teach staff in the use of Makaton signing and other forms of communication across their region. We believe Makaton signs/symbols could be used by support teams to enhance the communication of many of the people we support.

Assistive Technology

In January we welcomed FitzRoy's first Assistive Technologist, Carrie Sant. Carrie is an experienced Occupational Therapist and Assistive Technology practitioner with a wealth of experience from a range of organisations including the NHS, local authorities and the charity sector. This is a very exciting new role for FitzRoy. Embracing assistive technology (AT) will unlock independence, choice and a voice for those we support.

Carrie is working across the organisation to:

- Assess the needs of the people we support for AT to enhance or promote independence
- Support FitzRoy services to procure, use and implement a variety of AT devices and systems in collaboration with the people we support
- Work with local authorities and relevant tech companies to optimise opportunities to pilot innovations, to improve the quality of life for people with learning disabilities, autism, acquired brain injury, physical disabilities and mental health

Her role will enable us to evaluate what AT best suits the needs of those we support and will inform how we progress further in this field.

"AT solutions don't need to be high tech, they can be anything that works for the individual, that can assist them to do the things they want to do, that open up their choices and opportunities and increases their independence." Carrie Sant

Carrie has visited many of our services so far, spending time with people to understand their needs and how AT can benefit them. We are sharing her learning across the organisation via our internal comms including reviews of new technology and apps, and success stories involving AT for the people we support. We now have a bank of resources on how to use AT for our staff to access on our intranet.

In her first few months Carrie assessed nominations for people to receive a fundraised iPad to use the MyChoicePad Makaton app. She has also developed and delivered training sessions to our ten Makaton champions across the organisation. The next steps are creating a mobile AT library to enable the demonstration of a range of devices. Carrie has also identified and researched alternative ways of funding and sourcing AT as we develop our fundraising appeal for next year.

Support for end of life and bereavement

When people die it can be very difficult for those we support and our staff. Many people struggle to understand what is happening. We have been looking at ways to prepare them for loss and deal with grief. It is an incredibly tough part of the job for our staff but so important that we have those conversations. We have purchased a whole range of easy read books, 'Beyond Words', to help the conversations and relate it to the person. This has proven a practical support to enable someone to understand the process of dying.

When the people we support are diagnosed with a terminal illness our staff teams have worked hard to ensure their final months can be spent at home with all their familiar things around them and filled with love and friendship. Managers have built links with health agencies in their area, like the Macmillan nursing teams. We have received some lovely feedback from partner agencies we work with about the end of life care our staff have provided.

"When Chrissie was diagnosed with cancer, deputy manager Beverley Hayes immediately started to implement ways to ensure that she could remain at home surrounded by those she knew and trusted and her familiar things....She gave the staff confidence and showed them how much of a privilege it is to care for someone at the end of their life. The staff did the most amazing job and should all be so proud of themselves. We have had feedback from the GP, the district nurses and the hospice that Chrissie was so fortunate to have such a dedicated team around her." Service Manager Christina Palmer

Recruiting and retaining quality staff

During the last year we have felt the increasing difficulties of recruiting support workers, and the average number of applicants per vacancy has been declining.

We are looking at ways we can reflect the reality and the rewards of the job, by showing what it is like to work at FitzRoy. We need to ensure we are recruiting people who understand the job, what it is like to work in learning disability care, and the different expectations that people might have from working in other care sectors.

We have put more resource into promoting our vacancies on social media, particularly through Facebook, with targeted adverts to priority or hard-to-fill roles and linking to national campaigns. We are also developing new video content to give applicants a better insight into the realities of working in different service types.

In addition, we are looking at how we can involve support workers in recruitment – this was an idea that came out of our staff forums. Our staff are the best people to explain what the role is like and it is a valuable way for us to assess whether someone can meet the challenges of the services.

This year we were pleased to be able to improve our offer to staff, launching a new benefits platform to all employees in October 2018. This provides discounts on a broad range of high street and online retailers as well as supermarkets, cinema tickets, meals out, insurance and holidays.

After research into the pension market we found organisations that provide a better offer to staff than our current provider. Our Trustees met with the proposed new provider and approved a move of the pension scheme from 1st July 2019.

Family engagement

We have identified that the transition period, when young people with learning disabilities are ready to move into their own home, is a testing time for many families. We have been developing a transitions toolkit to help answer their many questions and enable us to engage with families better.

In November we were a lead sponsor for a large Transitions Event in Newmarket delivering workshops and family engagement clinics. We gave a presentation in partnership with Reside Housing Association on housing pathways for young people and received positive feedback from parents and commissioners.

The transition work is also being supported by the FitzRoy Advice Line which we launched in October 2018. Our Business Development Team now handle all calls for information and advice on our services via a direct line number. All calls have a record detailing the conversation, outcome and any forwarding or follow up required. This ensures we provide a more responsive process for callers, capture all key information, signpost more efficiently and follow up opportunities.

Active/outcomes-based support

The Operations Team have been developing support plans into a new system, 'My Life My Support Plan', that will record and share the outcomes, achievements and goals of the people we support. This new toolkit, which is being rolled out across the organisation, fully integrates support plans with assessments, activity planning, support planning and outcome management in one simple document. It ensures a unified approach across the organisation and is simple to use both for the people we support and our support workers.

Operations and IT have been working together to ensure this new system is electronic to improve accessibility and give us operational line of sight of the progression of people's support in each service.

To ensure we always deliver high quality support, we are developing a new quality assurance framework. The best practice groups, led by the regional and quality managers,

are developing this in consultation with staff across the organisation to ensure a collaborative approach.

Be Brave

Digital Transformation

As part of our transformation journey, this year we established a new Transformation Advisory Group on the Board as we move to embrace both more digital technology and open our horizons for the people we support.

There are three elements to our IT and transformation strategy: getting the basics right; person centred design to optimise what we do; using technology to bring about transformation.

Systems upgrade

The project to implement a new rostering, HR and payroll system is one of the biggest FitzRoy has ever embarked upon. Over the last year we have been talking to our staff so that we make sure the new systems are designed by the people who are using it the most, and make a real difference to their working day.

After a long process of laying the groundwork, gathering operational and business requirements, we have worked with our external provider to develop an integrated solution that meets our needs. This project will transform many of our working practises, improve our efficiency and remove unnecessary administration, duplication and paperwork, so that our staff can focus more of their time on the people we support.

This disruption is inevitably challenging to the organisation, but with change will come real benefits for all our staff: being paid overtime in real time, being able to view pay slips, self-service around requesting holiday and updating personal details will be far easier.

New services

This year we have enjoyed welcoming new people into new homes. We opened a brand-new service near Basingstoke in Hampshire, for young people with complex and challenging behaviours. Jellicoe Court has 18 individual modern new build flats and communal space. The building was completed in July 2018 and the first residents moved in in September. This service is focused on supporting individuals coming from varying providers, including secure settings, or family homes and it takes time for people to transition and settle in.

The new building for our Silver Birches service near Teddington in London is almost complete and residents are very excited that they will be soon be moving into their new home.

In December 2018 we welcomed staff, residents and families of Turnbull Close, a 12-bed registered care home in Kent, to the FitzRoy family. Since taking on the contract we have spent time ensuring a smooth transition for residents and staff, many of whom have lived and worked there for many years. Most of the residents moved in when it originally opened, and some of them even went to school together.

"The change to FitzRoy has been a smooth transition so far, I have found everyone at FitzRoy so supportive and helpful... I love the FitzRoy values, as it is so important to remember that we

need to see the person, to be brave and to be creative to make sure that the people we support have the best opportunities to lead the lives that they choose. Turnbull Close has always had feedback that it is a homely welcoming environment, it is a lovely service to work in!" Deputy Manager Charlotte Bilisland.

We reached full occupancy for the new developments in Banbury and Bicester in Oxfordshire. We continue discussions with developers regarding the new building for our Timber Grove service in Essex.

Currently we are looking at how we manage our property portfolio to ensure we are getting the best value from our estate both from our freehold and leasehold properties. We have begun a review of what this might entail over the coming years and have engaged a property consultant to help us define the longer-term plan for FitzRoy.

GDPR

We were prepared for the General Data Protection Regulations that came into force in May 2018, having spent a lot of time during the year ensuring that our supporters are contacted in the way they want to be. We reviewed the storing and retention of personnel files for all staff and consulted and communicated to staff about the change to contracts and the privacy notice.

Be Creative

Staff engagement & internal comms

Improving our dialogue and interaction with staff has been a big priority this year, as we look ahead to many changes to the way we work.

At the beginning of October 2018, we launched our new intranet 'The FitzRoy Hub', designed to make our staff's working day easier with important information at a glance and quick links to key documents. The Hub has better navigation and search functionality, and engaging content to encourage everyone to have conversations and collaborate easily with one another. Feedback has been positive with service managers and deputies saying it is far easier to find the things they need quickly, and it's enabling better communication between our management and Central Support.

We were pleased to see a much better response rate to the annual staff engagement survey in November 2018, with 55% completing the survey up from 27% in 2017. This was due in large part to sending a link to the survey via text message to all support workers.

The results are very encouraging with the number of people who agree or strongly agree increasing in all but four questions and improved results in the areas which score lowest.

Questions scoring over 90%:

- I am trusted to do my job
- FitzRoy can be trusted by the people we support and their families
- I receive the training I need to do my job well
- I use FitzRoy Values to influence my decisions

- I understand FitzRoy's Strategy
- I feel proud to work for FitzRoy

We saw a good attendance at our staff forums in November 2018 where we were able to share important information about our new payroll and people planner systems and the potential impact it will have on the way staff are paid. We gained valuable feedback and useful insights that have fed into the project as it develops.

Best practice groups

We have continued to develop the best practice groups to ensure learning across the organisation is shared and to enable peer support. The groups meet twice a year to consult and share with people working in the same type of service, e.g. residential care, support at home, day service. The groups have been successful in supporting the roll out of the new support plan.

Love4Life

Our Love4Life dating and friendship project, based in Hampshire, continues to go from strength to strength. This is a fully fundraised activity and we are very grateful to funding from The National Lottery Community Fund (formerly Big Lottery Fund). This year we have been able to increase our project management, offer new activities and workshops that our members have requested, enrol new members and embed monitoring and evaluation systems so that we can make further improvements.

Evaluation findings show how life-changing the project is, helping some of the most marginalised and vulnerable people in our society. They often do not receive care provision but are at risk of bullying, hate crime, mate crime, isolation, and loneliness.

Members told us that before Love4Life their life was empty and isolating, they just stayed in their rooms all day as they felt unsafe going out on their own. This comment from one member sums up the impact it has had.

"It has genuinely transformed my life, my life would feel empty if I ever left."

Some key results from a survey of members in October 2018 include:

- 94% say they have made new friends as a result of Love4Life
- 98% think it is a good place to meet people with similar interests or background
- 92% feel less lonely or isolated because of Love4Life
- 89% think Love4Life has helped them to feel happier

Staff and volunteers organise around 23 events per month, including discos, meals out, sporting events, exercise and performing arts classes. To increase members' independence, workshops have also been provided for the first time this year on online safety, financial skills, avoiding scams and fraud, cooking and sex education.

Owing to its success, in January we commissioned an independent consultant to conduct a needs assessment and identify the case for expanding the project further into Hampshire, West Sussex and Surrey. As part of this we held a Theory of Change workshop, with Love4Life staff and three Love4Life members, to help establish the causal links between the activities

delivered by Love4Life and the outcomes achieved. We will be using the findings as we plan the best way to expand Love4Life next year.

Video

We have been investing in creating more video content for use externally and on our new intranet. Our marketing, fundraising and IT teams have been acquiring the skills to shoot and edit videos on smartphones, which has proven a cost-effective way to capture more content. We have seen our social media engagement increasing over the year, driven by audiences engaging in the videos we post.

Access to IT

We have reviewed the broadband available at all our services and moved quite a few onto fibre. We now only have three services which are not on super-fast broadband and we are looking at what we can do to help them.

In March we changed our mobile phone service provider to a provider that could offer an increase in signal in the more rural areas we operate in. This was done in a staged approach so that the impact was minimised for Operations.

Service managers IT 121s

Our IT team has spent a lot of time making sure we get the basics right for our staff. We know that IT problems can have a big impact on our Service Managers, limiting their ability to do their job well. The IT Support Team has rolled out a programme of personalised support for all our Service and Deputy Managers.

Bolstering our front-line IT Support team has also enabled us to reduce the reliance on our external ICT support provider and as of April 2019 the helpdesk service is provided in-house by the FitzRoy IT team.

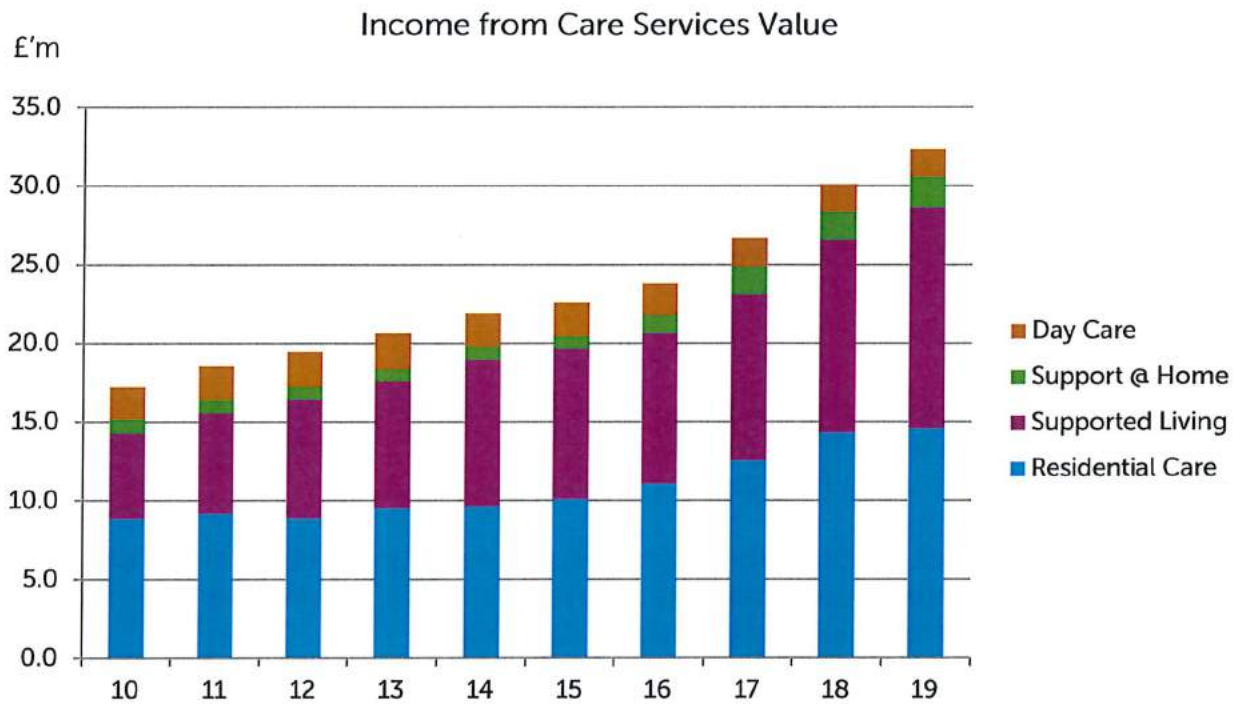
Financial Review

Despite ongoing legislative pressures on the sector, FitzRoy has achieved significant growth in income during 2018/19. 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 7.5% in 2018/19, with fees continuing to be the primary source of income. In the year to March 2019 we saw income from care services increase by 7.4% to £32.4m, following the trend from 2017/18. This was due to continued expansion in supported living services in Hampshire, Nottingham and Oxford, along with the increased residential presence in Kent in the latter part of the year as well as the 3.4% gained in fee uplifts. The

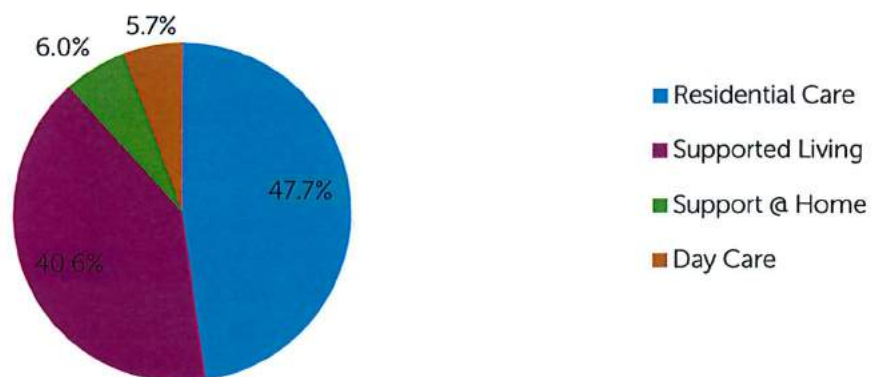
Charity continues to build on its success to date and strives towards continued growth to transform more lives.



2018/19 Mix of Income



2017/18 Mix of Income



Support for people living in long term residential care has grown this year due to the transfer of business in Kent. Supporting people in their own homes continues to be a critical focus for us and has resulted in new business in Nottingham. Day care has seen a small increase this year due to increased footfall in our day care settings.

The performance of our overall Fundraising activities performed well with donations of £826k for the year against a target of £498k. Our income benefitted from legacy donations of £353k, 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 8.5% reflecting the growth in service provision and resulting in economies of scale. We have experienced increased reliance on agency staffing during the year, which is in some respect, reflective of embedding new services, but largely as a result of increasing recruitment difficulties felt by the sector along with the low unemployment rate. We continue to 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 low 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 maintain close working relationships with key local authorities to ensure invoicing and the receipt of funds are carried out in a timely manner. Debtor balances have increased during the last year, partially due to growth in fee income, changes in local authority payment terms, but also due to challenges with some local authority systems, we have been working together to resolve these issues and since the year end, the situation has improved.

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 2019 and set at £4.0 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 £0.7m to £5.2m due to the positive performance this year. Cash reserves remain stable at £3.9m due to positive results both operationally and fundraising for 2018/19.

At 31 March 2019 FitzRoy held a total of £16.4m in reserves, with £0.9m Restricted, £10.4m Designated (made up of Fixed Asset fund of £9.7m and Maintenance & Redevelopment fund of £0.7m) and £5.2m Free Reserve. It is expected that the designated Maintenance & Redevelopment fund will be utilised during 2019/20 to facilitate maintenance of our properties. We ended the financial year above our reserve target due to a generous legacy received in a prior year, the legacy is earmarked for infrastructure investment over the coming years.

	£k
Restricted Funds:	
Amenity, Friends & Development	852
Designated Funds:	
Fixed Asset Fund	9,704
Maintenance & redevelopment	678
General Funds:	
Free Reserve	5,150
TOTAL FUNDS	16,384

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 £15k from £6k in the previous year to March 2018. The capital value of investments increased this year with an unrealised gain in the year of £7k as a result of the changes in the stock market. The actual amount invested in the stock market at the end of the year, was £72k.

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 recruitment & retention - with additional concerns linked to Brexit uncertainty - 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.

Given the nature of the sector that FitzRoy operates in, a key risk is delivering quality support to vulnerable adults, whilst actively working to minimise and protect those we support from any safeguarding issues.

Fee increases have increased slightly on previous years and represent an average of 3.4% within the 2018/19 results. This remains a critical challenge in the current environment of increased staffing costs along with recruitment difficulties facing the sector. 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 has risen during the year to 2.8% (2018: 1.6%), a total of 45 vacancies at the end of the year. 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 one.

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 five sub-committees, the Finance Committee, Remuneration Committee, Nominations Committee, Quality Committee, and the People 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, 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 Remuneration 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 foundations, community groups and companies who have supported us this year.

We are proud of our fundraising practise 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 three times a year by post or electronically. We do not send repeated requests for a gift to our supporters nor do we telephone them and ask them to increase their gift.

Most 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 and a half full time equivalent professional fundraisers. This year we contracted with one external consultant.

We encourage all our colleagues based in our services across the country to fundraise. We support staff who fundraise for us with advice, materials and practical help.

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

We received no complaints in relation to our fundraising in 2018/19.

Fundraising to transform lives in 2018/19

Our fundraising income for 2018/19 totalled £820,000 which is an excellent result, and largely due to a number of legacies and a significant donation towards our new Silver Birches service.

In November we received the fantastic news that our fundraising appeal for our new Silver Birches residential home had received an exceptional gift from the Band Trust. This has meant that the new home has been kitted out to the highest standards with adaptable baths and furniture, new IT equipment and assistive technology devices and systems.

Our Big Give appeal this year was very successful again, and we hit our target of raising £20k to purchase 50 iPad's for the people we support. A huge thank you to our Board of Trustees, Ambassadors and Patrons for their support of this appeal. Our new Assistive Technologist, Carrie Sant, has been assessing who will benefit the most from receiving the iPads.

We were delighted when a Councillor from Suffolk County Council, David Ritchie, organised a fundraising cycle ride in aid of FitzRoy. David was impressed with hearing about the work we do when he attended an afternoon tea hosted by Patron, Lady Clare Euston, for our Royal Patron, Her Royal Highness Princess Alexandra's visit last year. David and four of his colleagues cycled 400 miles from St David's in Pembrokeshire to Lowestoft in Suffolk, raising just under £5,000. Thank you to all for their tremendous effort.

Our first (Christmas) pop up shop in Petersfield in November was a success. As well as raising money, a key objective was to increase our profile in the area which we achieved with higher footfall than anticipated. The shop created some great opportunities to have conversations throughout the week with members of the public who were interested in funding out more about FitzRoy and what we do. Other benefits were a big uplift in engagement and reach on social media, building volunteer relationships in the community and feedback from staff at central support that really enjoyed the opportunity to all come together on one project.

At the end of the financial year 2018/19 the Board of Trustees agreed plans to invest in fundraising with an ambition to substantially grow our fundraised income. While FitzRoy is funded primarily by local authorities, fundraising is becoming ever more important to enable us to truly transform lives, improve the quality of people's homes and give them all the

opportunities to succeed and enjoy their life.

Our key objectives are to focus on our supporter journey to deliver growth in regular and individual giving, improve face-to-face stewardship of our major donors and secure income to grow Love4Life as a service.

ORGANISATIONAL CHANGES

Board of Trustees

Julia Le Blan resigned as Chair of the Board of Trustees in September 2018 after four years with FitzRoy and just under two years as Chair. We would like to thank her for her commitment and strategic guidance during a turbulent time externally.

Our huge thanks to Ian White for kindly stepping into the Chair position in the interim until Martin Kyndt took over in January 2019.

Sadly, we also said goodbye to trustees Andrew Gore, Lucy Chaudhuri and Ian White who resigned during the year due to increasing personal and business commitments. We would like to thank them for their contribution, advice and guidance.

We were delighted that Michael FitzRoy, who resigned as a Trustee in May 2018, accepted our invitation to be an Ambassador.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the company on 11th July 2019 and are signed on their behalf by:



Martin Kyndt
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 2019 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 2019 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 12th July 2019

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 2019 (Incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Total to 31 March 2019	Total to 31 March 2018
		£	£	£	£
Income and endowments from:					
Donations and Legacies		463,047	363,016	826,063	586,008
Charitable Activities - Income from care services		32,422,358	-	32,422,358	30,189,117
Investment income & interest receivable		14,749	-	14,749	6,059
<i>Other:</i>					
Gain on sale of fixed asset		250	-	250	172,987
Total Income	2	32,900,404	363,016	33,263,420	30,954,171
Expenditure on:					
Raising Funds		152,982	-	152,982	131,064
Cost of care services		32,243,969	107,000	32,350,969	29,824,897
Total Expenditure	3	32,396,951	107,000	32,503,951	29,955,961
Net income/(expenditure)		503,453	256,016	759,469	998,210
Net gains/(loss) on revaluation of investments	5	7,116	-	7,116	(9,319)
Transfers	9	(25,774)	25,774	-	-
Net movement of funds		484,795	281,790	766,585	988,891
<i>Reconciliation of funds:</i>					
Total funds brought forward	9	15,046,513	570,314	15,616,827	14,627,936
Total funds carried forward	9	15,531,308	852,104	16,383,412	15,616,827

* 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 28 to 35 form part of these financial statements.


Balance Sheet as at 31 March 2019

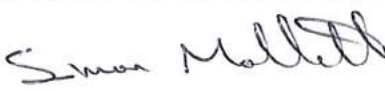
Company Registration Number: 2699902

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	4				
Property			9,598,458		9,899,844
Equipment			118,014		134,517
			<u>9,716,472</u>		<u>10,034,361</u>
Investments	5		72,372		65,256
			<u>9,788,844</u>		<u>10,099,617</u>
Current assets					
Debtors	6	4,311,121		3,228,165	
Bank deposits		3,632,307		3,448,103	
Cash at bank and in hand		256,458		551,886	
		<u>8,199,886</u>		<u>7,228,154</u>	
Creditors: amounts falling due within one year	7	(1,605,318)		(1,632,336)	
Net Current Assets			<u>6,594,568</u>		<u>5,595,818</u>
Total assets less current liabilities			<u>16,383,412</u>		<u>15,695,435</u>
Creditors: amounts falling due in more than one year	7		-		(12,412)
Provisions for liabilities	7		-		(66,196)
Total Net Assets			<u>16,383,412</u>		<u>15,616,827</u>
Funds					
Restricted income funds	9,10		852,103		570,313
Designated funds	9,10		10,381,674		10,580,845
Unrestricted income fund	9,10		5,149,635		4,465,669
Total charity funds	9,10		<u>16,383,412</u>		<u>15,616,827</u>

The notes on pages 28 to 35 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 11th July 2019 and signed on its behalf by:


 Martin Kyndt
 Trustee and Chair of the Board of Trustees
 Committee


 Simon Mollett
 Trustee and Chair of Finance

Cash Flow Statement for the year ended 31 March 2019

	Notes	2019		2018	
		£	£	£	£
Net cash inflow from operating activities (See note below)			287,740		437,170
Cash flows from investing activities:					
Interest received		13,402		4,307	
Investment income		1,347		1,752	
Purchase of tangible fixed assets	4	(336,280)		(147,553)	
Proceeds on sale of fixed assets		250		186,861	
Net cash from investing activities			(321,281)		45,367
Cash flows from financing activities:					
Repayment of borrowings		(74,063)		(80,150)	
Interest paid		(3,620)		(10,282)	
Net cash used in financing activities			(77,683)		(90,432)
Change in cash and cash equivalents in the reporting period			(111,224)		392,105
Cash at start of year			3,999,989		3,607,884
Cash at end of year			3,888,765		3,999,989
(Decrease)/Increase in Cash			(111,224)		392,105

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

	2019	2018
	£	£
Net incoming resources	766,585	988,891
Return from investments	(14,749)	(6,059)
(Gains)/losses on investments	(7,116)	9,319
Bank interest paid	3,620	10,282
Depreciation charge	654,169	699,855
Surplus on sale of asset	(250)	(181,844)
Decrease/(Increase) in debtors	(1,082,956)	(1,359,154)
Increase/(Decrease) in creditors	(31,563)	275,880
Net cash inflow from operating activities	287,740	437,170

The notes on pages 28 to 35 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2019

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.

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.

Notes to the Financial Statements continued...

- i) **Debtors**
Fee and other debtors are measured at their recoverable amounts, prepayments are valued at the amount prepaid at 31 March 2019.
- 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

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. £363,016 (2018 £238,425) of income from donations & legacies is classified as restricted, all other income was unrestricted.

3. EXPENDITURE

	Staff Costs £	Other Costs £	Total 2019 £	Total 2018 £
<i>Expenditure on:</i>				
Cost of Care Services				
Direct	25,506,420	4,762,366	30,017,758	27,596,346
Support	1,133,162	-	1,133,162	1,214,223
Marketing	-	30,587	30,587	36,803
Business Systems	-	128,146	128,146	121,847
Depreciation	-	64,811	64,811	73,784
Recruitment/Training/Insurance	-	112,709	112,709	110,731
Office & administration	-	711,833	711,833	533,184
Governance	105,000	46,963	151,963	137,979
	26,493,554	5,857,415	32,350,969	29,824,897
<i>Expenditure on raising funds:</i>				
Fundraising and publicity costs	105,167	47,791	152,982	131,064
Total Outgoing Resources	26,849,749	5,905,206	32,503,951	29,955,961

Last year's expenditure included £151,346 classified as restricted against the cost of care services.

Notes to the Financial Statements continued...

	2019	2018
	£	£
Total resources expended are stated after charging:		
Auditor's remuneration –		
Audit services	28,380	23,082
Other services	4,969	1,784
Depreciation of fixed assets	654,169	699,855
Lease Payments –		
Land & buildings	274,822	311,000
Plant, Equipment & Vehicles	378,143	369,127
	2019	2018
	£	£
Other costs, analysed above as Governance, cover the following categories:		
Auditor's remuneration	33,349	24,866
Trustee meeting costs	5,942	6,396
Governance related professional fees	2,696	13
Trustee expenses	4,976	1,704
	46,963	32,979

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.

	2019	2018
	£	£
Staff costs during the year amounted to:		
Salaries	21,391,252	20,151,350
Redundancy costs	17,442	11,500
Social security costs	1,519,477	1,446,690
Employer's pension contributions	493,066	478,986
Apprenticeship levy	92,375	85,708
Other forms of employee benefits	63,863	65,768
	23,577,475	22,240,002
Agency staff costs	3,272,274	2,321,156
	26,849,749	24,561,158

	Number	Number
	2019	2018
The average number of full time equivalent including overtime and non-contracted staff but excluding agency staff was:		
Care provision	942	918
Fundraising	3	3
Total	945	921

Notes to the Financial Statements *continued...*

	Number 2019	Number 2018
The average number of staff, comprising both part and fulltime employees, during the year, analysed by function was:		
Care provision	1337	1289
Fundraising	5	5
Total	1342	1294

At 31 March 2019, the Charity employed 504 (2018: 510) full time staff and 855 (2018: 629) 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 2019	Number 2018
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£120,001 - £130,000	1	1

For the above members of staff pension contributions amounting to £41,733 (2018: £38,053) were paid into a money purchase plan. Total salaries paid to key management personnel & directors amounted to £432,902 (2018 £418,211).

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 £3,360 (2018: £1,704) and were paid to 6 (2018: 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 (2018: 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
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2018	14,053,279	247,244	789,451	658,323	32,487	323,511	1,052,904	17,157,199
Additions	250,872	24,047	-	-	-	-	61,361	336,280
At 31 March 2019	14,304,151	271,291	789,451	658,323	32,487	323,511	1,114,265	17,493,479
Depreciation								
At 1 April 2018	4,841,872	-	789,451	217,131	32,487	298,914	942,983	7,122,838
Charge for year	520,157	-	-	56,147	-	14,608	63,257	654,169
At 31 March 2019	5,362,029	-	789,451	273,278	32,487	313,522	1,006,240	7,777,007
Net book value								
At 31 March 2018	9,211,407	247,244	-	441,192	-	24,597	109,921	10,034,361
At 31 March 2019	8,942,122	271,291	-	385,045	-	9,989	108,025	9,716,472

FitzRoy House is held as security for the mortgage and is held at a carrying value of £0.9 million (2018: £1.0 million). See note 7 for details of the mortgage.

5. INVESTMENTS

	2019	2018
	£	£
Market Value at 1 April 2018	65,256	79,593
Disposals	-	(5,018)
Net unrealised investment gain/(losses)	7,116	(9,319)
Market Value as at 31 March 2019	72,372	65,256

The historical cost of investments was £60,045 (2018: £60,045)

Investments are analysed as follows:

Government Bonds	14,000	14,000
UK Equities	35,640	29,018
UK Investment Trusts	17,885	17,391
UK Unit Trusts	4,847	4,847
TOTAL	72,372	65,256

Notes to the Financial Statements continued...

6. DEBTORS AND PREPAYMENTS

	2019	2018
	£	£
Fee debtors	2,900,245	2,067,600
Accrued income	771,860	905,747
Other debtors (including legacy)	445,281	77,755
Prepayments	193,735	177,063
	4,311,121	3,228,165

7. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	395,096	320,094
Accruals and deferred income	678,440	775,094
Other creditors	143,983	110,588
Taxation and social security	375,345	352,455
Bank Loan	12,454	74,105
	1,605,318	1,632,336

Deferred income relates to fundraising events taking place in the following financial year £1.5k (2018 £1.5k).

CREDITORS: Amounts falling due in more than one year

	2019	2018
	£	£
Pension liability	-	66,196
Bank Loan	-	12,412
	-	78,608

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 £0 (2018: £1,625)

The pension liability for 2017/18 related to the Federated Flexiplan No.1 scheme. Following the buy-out of the Plan by Aviva in May 2018, it was confirmed that FitzRoy no longer had any liability under this scheme, therefore the balance was released during 2018/19.

8. CONTINGENT LIABILITIES

As a result of Mencap winning its appeal, the previously estimated liability in relation to back dated pay for sleep in payments at national minimum wages was estimated at £500k. As Unison now have a date of February 2020 for their appeal to be heard in the Supreme Court, there is still uncertainty for the sector on whether or not liabilities will need to be settled. Due to this uncertainty, our contingent liability remains at £500k.

Notes to the Financial Statements continued...

9. FUNDS

	Balance at 1 April 2018	Incoming resources & unrealised loss	Outgoing resources	Inter fund transfers	Balance at 31 March 2019
	£	£	£	£	£
Restricted funds					
Amenity and Friends funds	413,002	363,016	(105,480)	26,800	697,338
Development funds	157,311	-	(1,520)	(1,026)	154,765
sub-total	570,313	363,016	(107,000)	25,774	852,103
Designated funds					
Fixed asset funds	9,947,845	250	(654,169)	410,093	9,704,019
Maintenance and redevelopment projects	633,000	-	(60,142)	104,797	677,655
sub-total	10,580,845	250	(714,311)	514,890	10,381,674
General fund	4,465,669	32,907,270	(31,682,640)	(540,664)	5,149,635
Total funds	15,616,827	33,270,536	(32,503,951)	-	16,383,412

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.

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.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Balance at 31 March 2019
	£	£	£
Tangible fixed assets	9,716,472	-	9,716,472
Investments	72,372	-	72,372
Net Current Assets	5,742,465	852,103	6,594,568
Creditors: amounts due after more than one year	-	-	-
Total	15,531,309	852,103	16,383,412

Notes to the Financial Statements continued...

11. 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 2% for the Auto Enrolment Scheme. The NHS and Local Government Pension Scheme (LGPS) are both schemes we continue to pay into as a result of staff transferring in under TUPE. Whilst it is not possible to allocate to FitzRoy the share of assets or liabilities of these schemes, contributions vary and are advised by either NHS or LGPS.

12. OPERATING LEASE COMMITMENTS

	Land & Buildings	Plant, Equipment & Vehicles	Other	Land & Buildings	Plant, Equipment & Vehicles	Other
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Total future minimum lease payments under operating leases, expiring:						
Within one year	253,657	242,470	20,479	252,563	233,818	23,234
In the second to the fifth year	678,056	366,414	52,895	774,966	268,860	15,417
After five years	358,294	-	959	486,731	-	3,835
Total	1,290,007	608,884	74,333	1,514,260	502,678	42,486

13. CAPITAL COMMITMENTS

A new Roster/HR/Payroll system has been purchased. We are currently in the set up and testing phase, with the expectation that full implementation will be completed by the summer of 2020. Total costs attributable to this project are in the region of £295k, with £130k expected in 2019/20.

14. 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.

15. 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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