



FitzRoy Support

Trustee Report and Financial Statements for the year ended 31 March 2020

Reference and Administrative Information

The Trustees submit their Annual Report and Financial Statements for the year ended 31st March 2020.

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
• Matthew Moth	✦	Vice-Chair
• David Evans	◆✦○	
• Justin Finnigan	¥	(appointed July 2019)
• Andrew Gore	¥	(appointed April 2020)
• Lucy Hovey	❖	
• Dawn Jacobs	❖	(appointed May 2019)
• Derrick McCourt		
• Sarah Nicholson	¥	(appointed January 2020)
• Mark Sanderson	❖	(appointed July 2019)
• Andy Lee	✦❖	(resigned October 2019)
• Neil Matthewman	¥○	(resigned December 2019)
• Simon Mollett	✦❖	(resigned September 2019)
• Paul Wood	❖○	(resigned June 2019)

◆ Remuneration Committee

✦ Nominations Committee

❖ Finance Committee

¥ Quality Committee

○ People Committee

Patrons

HRH Princess Alexandra GCVO KG
 Nigel Atkinson
 Countess of Euston
 Andrew Grant
 Georgina Hovey
 Margaret Marshall
 Virginia McKenna OBE
 Lord and Lady Tanlaw
 Edward Thornton-Firkin

Executive Team	Anna Galliford	Chief Executive and Company Secretary
	Angela Murphy	Director of Operations & Business Development (appointed March 2020)
	Alison Heustice	Director of Finance
	Marianne Radcliffe	Director of Marketing, Fundraising, and IT
	Roberta Wheeler	Director of Human Resources (appointed March 2020)
	Liz Ambler	Director of Operations & Business Development (resigned September 2019)
	Robyn Wedderburn	Director of Human Resources (resigned December 2019)

Registered Office
FitzRoy House
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Fax 01730 710 566
Website www.fitzroy.org
Email info@fitzroy.org

Auditors Moore Kingston Smith (appointed September 2019)
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers	Nat West PLC 39 The Borough Farnham Surrey GU9 7NP	Barclays Bank PLC The Old Bank High Street Lewes BN7 2JP
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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
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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 89 services across England supporting 815 people. Some individuals use several of our services. Of the people we support, 332 live in their own homes, 276 are supported in the community or at one of our five FitzRoy day opportunities, and 207 live in one of our 22 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 for FitzRoy along with facing enormous challenges. As always, we deliver our strategy through the lens of our values – and this year more so than ever. Our ability to be responsive, agile and See the Person in all our decisions has meant we continue to be a robust charity, thriving in unprecedented times.

As the year draws to a close, the coronavirus pandemic has massively affected our services. We took decisive action very early on in the crisis to protect the people who use our services and our staff. Remaining true to our values has never been more important - being creative in the way we deliver support and engage with our staff; being brave in taking on new initiatives, expanding projects; and responding quickly to a global threat.

We have ended the year in a sound financial position finishing 2019/20 with a growth of 10.1% on the previous year. This builds on our income growth of 7.5% in 2018/19 and 13% in 2017/18. Our operational growth in 2019/20 has come from new contracts in Coventry.

Our mission is always to deliver the best possible support. Our ambition for quality is an expectation that all our services receive a minimum of a 'good' CQC rating, and they aspire to be rated as outstanding.

However, 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, a pressing issue common across the sector.

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 have some exciting projects, priorities, and challenges 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 ways of working.

Our response to Covid-19

Future plans

The coronavirus pandemic has helped us to think differently about how we deliver services and how our central support staff work. During these unprecedented times, we have become a more agile organisation, proved how resilient we are in times of adversity and plan to continue to nurture this approach.

Our ability to embrace technology has undoubtedly been a game changer for us during this crisis. Through the use of the latest Microsoft technologies we have transformed our ability to capture information from our services, for example, our daily use of PowerApps to record current PPE stock and PowerBI to then review nationally where the biggest needs arose. Our utilisation of Microsoft Teams has enabled the organisation to continue to communicate between all levels of management, their staff teams and central support services. Lately we have been holding carrying out audits via Teams as well as having the ability to reach wider audiences for meetings such as our CEO led breakfast briefings. Digital transformation will continue to be at the heart of our response to a changing and uncertain world.

This enabler goes hand in hand with the transformational care we deliver every day. Within FitzRoy, the relationships amongst colleagues is secure and stable, with stronger bonds and connections being made across teams – this sense of ‘family’ is key to our ability to thrive.

Recognising the truly extraordinary commitment our staff make every day will remain a focus and priority for us in 2020/21. Their flexible approach will enable us to continue to rapidly mobilise where and whenever we need to in the year ahead.

We will continue to protect the people we support and our staff, maximising the opportunities that come with increased visibility of social care, and the recognition that social care staff are key workers with specialist skills who should be recognised and paid accordingly.

Risk and uncertainties

The most significant risk is the concern of how Covid-19 will continue to impact us during the coming months, particularly the winter period. FitzRoy has managed incredibly well during the initial wave of the virus, and we remain confident that our learnings and reflections so far will help inform our actions for the future.

Local authorities have been supportive during the pandemic with additional funding to cover unexpected costs such as PPE, and additional staffing costs funded in the main by £3.8bn central government grants.

With the predicted increase in unemployment in the latter part of the year as the government job retention scheme tapers off and other sectors reduce their workforce due to longer term economic factors, the opportunity to attract new staff will become a key strategy in the social care sector.

Maintaining staff morale and wellbeing over many more months of difficult working environments will also be a challenge. It is so important that our staff feel appreciated and valued for the incredible job that they do. Many staff will continue to work remotely, and our success in embracing technology will be fundamental to making this work for the long term.

Achievements and Performance

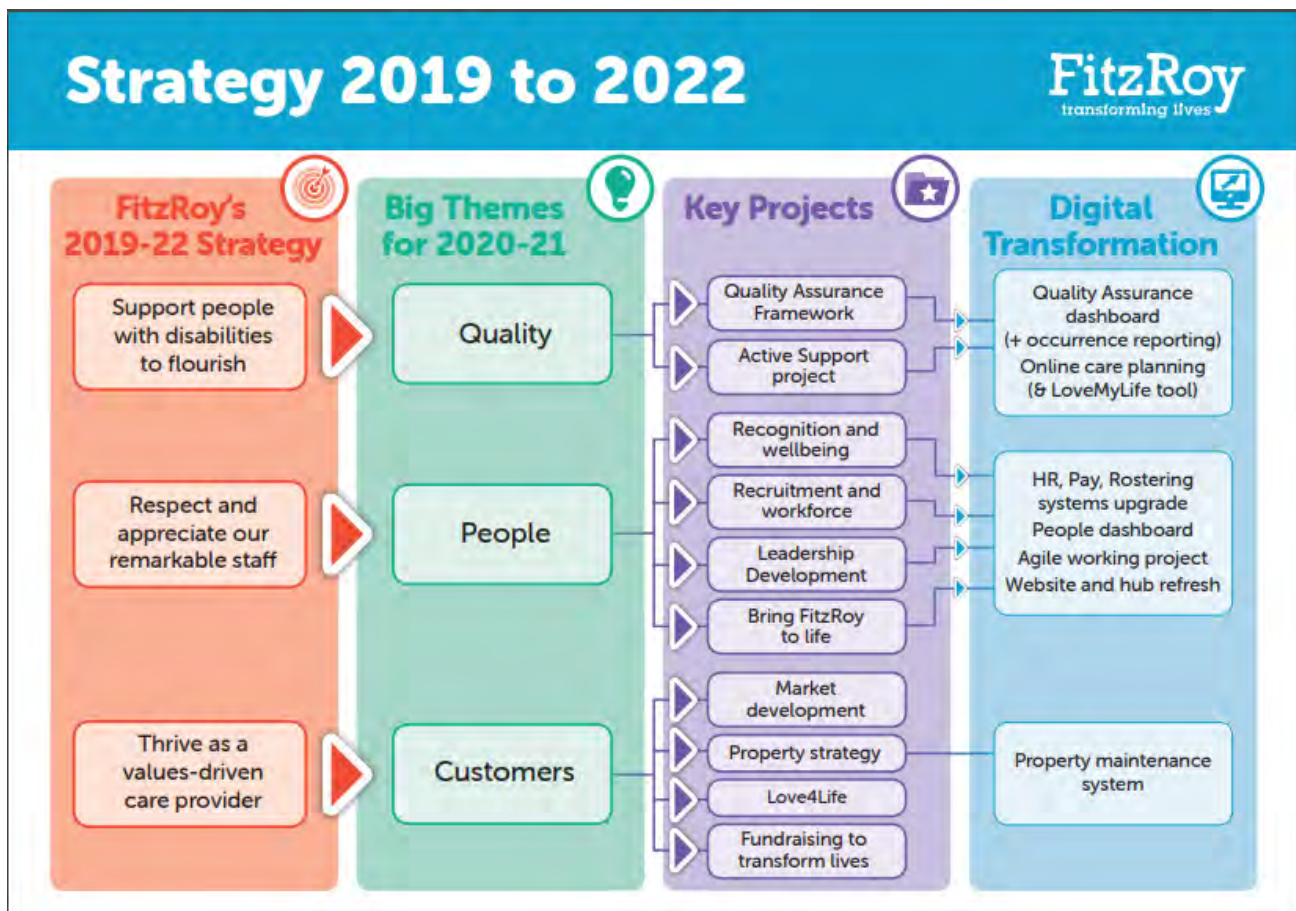
THE FUTURE

FitzRoy's Strategy for 2019-2022

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 as well as the onset of a global pandemic.

In 2019-2022 we aim to:

- Support people with disabilities to flourish
- Respect and appreciate our remarkable staff
- Thrive as a values driven care provider



An outline of the key projects and impact of our work over the financial year 2019/20

In 2019/20 we said we would:

Support people with disabilities to flourish:

Quality assurance underpins the aspirations for our services to be the best they can be, and in recognition of this, we restructured our quality team and created two new posts, a Head of Quality, and a Practice Development Lead. The Quality team, led by the Head of Quality, now consists of two Quality Managers, an Assistive Technologist, the Health and Safety Manager and a Practice Development Lead. Their priorities were ensuring our audit process is

fit for purpose, increased support to services to achieve a 'Good' CQC rating and continuing to develop the Quality Assurance framework.

As the support we offer becomes increasingly complex, particularly with complex autism services, we needed to increase our expertise in this area. Recruiting a Practice Development Lead enabled us to respond with a dedicated resource and specialist knowledge and experience.

Since appointment, our Practice Development Lead has been heavily involved in working directly with services in the delivery of active support and positive behaviour support approaches, helping to develop communications passports for individuals and social stories about specific issues in their lives, including the coronavirus.

Over the year, the quality team has carried out 99 monitoring and compliance visits and improvement plan audits of our services, making recommendations so that our services are constantly improving.

Where CQC inspections showed improvements were needed, the quality team supported the service to turn things around quickly. Quality visits ranged from one to four days depending on the size of the service/s.

In addition, we continued to deliver Makaton Champion training sessions – we now have 40 Makaton champions, enabling the people we support to be heard and understood which is critical to our strategy to amplify the voice of people with learning disabilities.

Fundraising to transform lives

At the end of the financial year 2018/19, our Trustees agreed to invest in expanding our small fundraising team with the ambition to substantially grow our fundraised income. While FitzRoy is funded primarily by local authorities, it is increasingly fundraised income that enables us to deliver truly transformational support, making the difference between providing for basic needs and allowing people to enjoy choice and independence.

This year, we have seen the benefit of our fundraising efforts at the brand-new Silver Birches homes, where residents were able to move in just before Christmas and enjoy a beautiful environment with bespoke equipment that meets their needs.

This was made possible by an appeal which raised over £100k. Other appeals started this year and still ongoing include new sensory rooms, activity cabins and garden improvements ensuring that the people we support have access to communal facilities, calming spaces, and inspiring outdoor environments.

Two major projects that FitzRoy could not deliver without fundraising are our Love4Life project and our ambitious Assistive Technology programme:

Love4Life:

Love4Life, our friendship and dating programme, has been run by FitzRoy since 2014, and we now have around 120 members in the Hampshire area with numbers steadily increasing and member satisfaction levels consistently high.

Love4Life is one of our programmes that reaches people with learning disabilities and autism who, in an increasingly stretched sector, would otherwise fall through the gaps in support, not having sufficiently complex needs to be eligible for a support package.

We ran 300 social events over the year including meals out, shopping trips, karaoke nights, discos, film nights, Zumba, and cooking classes. We also ran separately funded workshops including cookery and sports classes, enabling members to attend these for free. Monitoring and evaluation has shown that 92% of members surveyed feel less lonely or isolated since attending Love4Life and 92% think it has helped them to be more confident.

We do not receive any statutory funding to run Love4Life which is entirely reliant on fundraised income. The service is currently run with help from the National Lottery Community Fund through a three-year grant, as well as individual donations and smaller grants for specific activities from supporters including Santander and Tesco.

This year, we also used a Building Capabilities Grant from the National Lottery Community Fund to do some analysis work on the future of the project and to carry out the initial work involved in establishing Love4Life as a subsidiary Charitable Incorporated Organisation (CIO).

Following a Needs Analysis carried out in 2018-2019, we decided to expand to our second Love4Life Hub in 2019-2020 in Basingstoke – the location was determined by the reach this would give us across Hampshire where we were struggling to meet demand across such a wide geographic area.

Basingstoke also benefits from good public transport links and we had support from local authorities including a £5k community solutions grant to help us set up the service. We launched just before the coronavirus lockdown, and both Basingstoke and Fareham hubs, and Love4Life members have adapted well to this new situation through online sessions.

Assistive Technology (AT)

Our Assistive Technologist enables more opportunities for independent living than ever before for the people we support. Over the last year our Assistive Technologist has received over 100 referrals from services and has provided a range of AT solutions, from one cup kettles to smart technology and bed sensors.

She has also supported big projects such as the Silver Birches residential care home move, ensuring that when residents moved into their new home, they had access to technology to increase their independence, control, and choice.

Fundraising has enabled the purchase of some initial items that we intend to develop into a mobile Assistive Technology library. This can be taken to services for demonstrations so that staff and the people we support can trial different products. We have also created four Assistive Technology loan kits to enable the people we support to try kitchen aids which will increase their independence and participation.

Respect and appreciate our remarkable staff

Leadership and culture

Committed staff who are driven by our values are the biggest asset we have. Never has the importance of this been so stark as when we were faced with an unprecedented crisis such as coronavirus. From the very start, our staff have gone above and beyond to keep the people we support safe and well.

Our values are the common thread that bind us together and help us to thrive as an organisation. This was very clear in the results of our 2019 staff engagement survey:

- 92% of staff told us they used FitzRoy values to influence their decisions
- 92% of staff understood the organisational strategy
- 92% told us they feel proud to work for FitzRoy
- 81% agreed that their direct line manager's leadership has a positive impact on their working environment, this was up from 77% the previous year.

This year we have focused on investing in the leadership skills of our managers, so they feel empowered to do their job. All our service and deputy managers will be going on our values inspired leadership programme and already 67 managers have completed the modules with a further 34 signed up to attend later this year.

This was a big financial commitment from FitzRoy, and one we were able to make thanks to a generous legacy. Our services rely heavily on strong leadership, so it was an important and valuable investment from which we are already seeing the benefits. Not only from the improved staff survey response about line manager's leadership but also in the feedback from managers who have attended the course.

The key themes identified by delegates on what they found most beneficial on the programme were:

- Networking with colleagues
- Listening skills
- Increased self-awareness
- Increased delegation skills

We are looking at ways we can 'keep the learning alive', as well as make good use of the apprenticeship levy for our deputy managers and senior support workers to gain management skills development.

The coronavirus crisis has shone a light on the skills and expertise of our social care workers, and how much we, as a society, need them. Our staff are finally getting recognition as keyworkers, along with NHS staff. We are looking at how we amplify their voice, making sure that they are heard whilst in the spotlight.

Other ways we have recognised the needs of staff:

- We have implemented a "Team of the Month" scheme, where each month a team who has supported someone with learning disabilities to achieve their goals, is awarded "Team of the Month", they feature in our staff newsletter and receive gift vouchers. We have seen an increase in staff sharing stories to nominate for team of the month.
- We conducted a review of our existing pension scheme and secured better value for money for our staff. We consulted with staff and shifted our entire pension scheme over

to Creative Benefits, where management fees are less, and projected growth, based on previous performance, is higher.

- Over the last year we have implemented several new techniques to give our staff a voice. We continue to publish a weekly blog, giving a voice to our frontline workers as they share their experiences of transforming lives.

Staff engagement

This year has seen several consultations with all staff – including around our new pension scheme, and various proposals to changes to the way we pay as part of the HR systems upgrade. For each consultation we listened to our staff and made sometimes significant changes to our proposals based on their input.

We run an annual staff engagement survey that feeds into our strategy for that year, for example our Leadership Programme was developed because of staff feedback. This year our response rate was 51%, with an overall satisfaction rate of 82%.

Our top scores – above 90% - were:

1. I am trusted to do my job
2. I receive the training I need to do my job well.
3. FitzRoy can be trusted by the people we support and their families
4. I use FitzRoy Values to influence my decisions
5. I understand FitzRoy's Strategy
6. I feel proud to work for FitzRoy

The lowest three – between 60-70% – were:

1. I am paid fairly for the work that I do compared to people in similar organisations.
2. I am not put under too much pressure at work.
3. Poor performance is effectively addressed within FitzRoy

These results will feed into strategy and practice as we continue to develop our induction, learning and development programmes, reduce our use of agency staff, and empower our managers to be strong leaders.

We also ran several staff campaigns this year, the largest being our assistive technology campaign to raise awareness of the vital role that AT plays for our services, plus the opportunities and potential for people we support.

As part of the campaign we held FitzRoy's first ever Assistive Technology Week, where we ran three "TechforGood" roadshows. Around 80 managers attended and tried out different tech, heard from providers and saw first-hand how technology could benefit the people we support. After the campaign, our Assistive Technologist had a spike in service referrals, and we maintained momentum by producing a range of supporting materials and resources.

This year we have also looked at better cascading information to staff, to enable more informed decision making and ownership. We now publish our organisational KPIs at service level, so everyone can see their contribution to the overall objectives and achievements of the charity.

Thrive as a values-driven care provider

Digital transformation

Embracing tech as an enabler to empower our staff and become a more agile and efficient organisation, forms the backbone of our strategy. This year we piloted online care planning at a supported living service. The pilot showed how responsive staff are to this method of care planning and lots of great lessons were learnt to inform next steps.

Our digital transformation strategy is Microsoft first, and we have started to develop tools such as Power Apps, Power Bi, Automate to provide staff with fingertip access to full care plans and all the information they need.

Alongside this, all the data captured can be fed to the relevant person in a timely way, so that interventions can be made early and in many cases in advance of an issue escalating. Using Microsoft Power Bi at all levels of management across the business also means we will be able to see at a glance how services are performing against our KPIs.

Our Microsoft First Strategy means we are able to reduce our financial commitments to using external products. In particular, Microsoft Teams has provided simple but transformational solutions to our staff and our business. These systems have already proved invaluable in helping us assess risk and quickly view the impact of coronavirus on our services in terms of staffing levels, outbreaks, and PPE levels.

We have also been using a consist format to build a digital occurrence tool and have a system which can identify trends that enable us to:

- focus and prioritise resource
- spot where early intervention is needed and help drive excellence
- evidence and deliver continuous improvement

The project to implement a new rostering, HR and payroll system is one of the biggest FitzRoy has ever embarked upon. We are determined that any solution offers real transformation, involves the people who are using it the most, and makes a real difference to their working day.

After a long process of laying the groundwork, gathering operational and business requirements, we have worked with an external provider to develop an integrated solution, and this year we were able to test that product to make sure it was the right solution for FitzRoy and met our very specific needs.

A voice for our stakeholders

We hold two Nationwide forums each year for our service users to review policy and practice, raise any issues and give us feedback. The two main topics this year were how they can be involved in the training and induction of new staff and how we can make the satisfaction survey more meaningful and accessible for the people we support.

This year we have been a signatory to several CSA (Care and Support Alliance) and VODG (Voluntary Organisations Disability Group) campaigns. We have been developing a Lived Experience programme, looking at how we can gather data and insight from managers, frontline staff and the people we support to identify the key issues arising that we may want to tackle either as part of our membership groups, VODG and CSA and the Care Providers Alliance or as a standalone campaign.

Our Love4Life programme has also been informing a research project for the Tizard Centre at the University of Kent on relationships and people with learning disabilities.

Property and environment

We hold a mixed portfolio of properties that provide support to individuals across a range of care models. These include Residential Care, Supported Living, Day Services and Support at Home.

In order to gain a better understanding of the sustainability of our freehold properties we commissioned a consultant to undertake an initial strategic property review of 10 freehold FitzRoy buildings to establish possible improvement or development options for the existing buildings and grounds, maximising the potential from the asset, in each location.

This strategy will inform how we decide to move forward as an organisation in the coming 5 to 10 years, what we concentrate on as a provider and what we maximise from our solid asset base.

Our long running project, which has taken at least a decade to achieve, is now a reality with the new Silver Birches building in Teddington completed in early December, all 11 residents left Silver Birches in Richmond, where some had lived for over 40 years, and moved into their new homes in Teddington.

The new purpose-built service, using inclusive design techniques and assistive technology, consists of a 5-bed supported living service, Cherry Trees, and an 8-bed registered care home, Silver Birches.

Financial Review

Whilst the sector continues to be under significant pressure from changes in legislation, FitzRoy achieved growth in operational income of 11.7% during 2019/20. This, along with a continued focus on efficiencies and cost savings whilst ensuring delivery of quality care, is reflected in another year of strong performance.

As well as working to deliver the best value for money, we continue to build on our strong relationships with stakeholders which continues to be critical to our success. It has brought access to new markets, driven innovation, and through stronger partnerships developed a deeper commitment to shared values.

As an organisation we have been diligent in our approach to Covid-19, working proactively to ensure the safety and wellbeing of the people we support and their staff teams, as well as the long-term sustainability of the organisation.

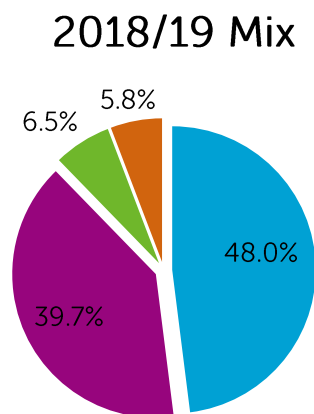
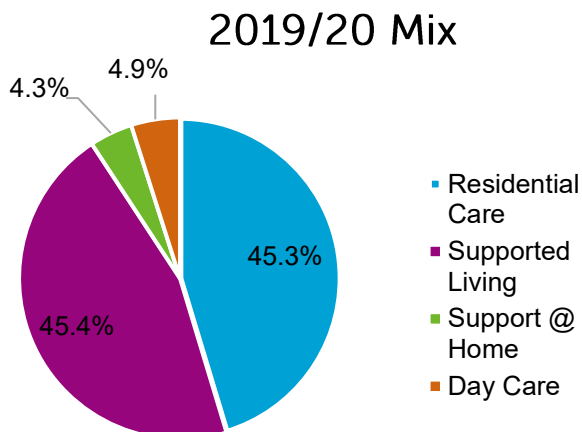
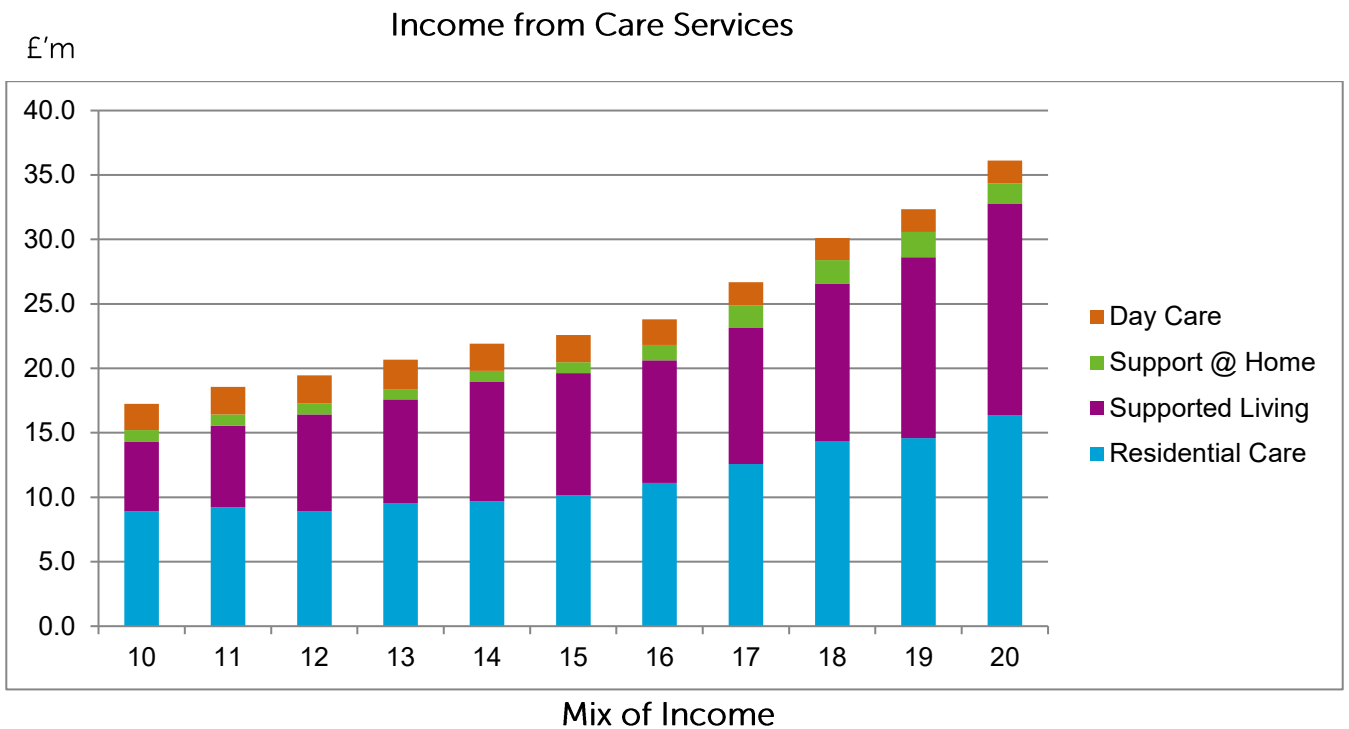
From a financial perspective, we have, and continue to work closely with local authorities to ensure we secure the additional funding from central government to support this crisis. We continue to produce detailed forecasts post year end, which have then been reviewed by the Trustee Board.

Our proactive, collaborative approach seen across all areas of the organisation, means we remain in a strong financial position, with both balance sheet and liquid reserves to carry us through.

Our cash balances have benefited from a positive financial year, alongside increased control in debtors plus unexpected delay in payment to some suppliers.

INCOME

Total income - including donations, care service fees, and investment - grew by 10.1% in 2019/20, with fees continuing to be the primary source of income. In the year to March 2020 we saw Income from Care Services increase by 11.7% to £36.2m, following the trend from 2018/19. We saw growth of 12.3% in long term residential care along with 16.9% in supported living. The increase in income reflects the continued expansion in supported living services in Hampshire, along with the increased residential and supported living presence in Coventry during the year. Fee uplifts from some local authorities also contribute to the increase in income. The Charity continues to build on its success to date and strives towards continued growth to enable the organisation to transform more lives.



We have seen a further shift in our portfolio mix to support for people living in long term residential care. These new contracts have primarily been in Hampshire and Coventry. Day care reduced as a percentage of total income, due in part to reduced footfall, but also a result of changes in local authority funding.

Our fundraising activities during the year resulted in donations of £384k for the full year, which included a charity appeal for new Silver Birches site of £100k. Our 2019/20 income has not benefitted from the same generous legacy donations of 2018/19; however, we are extremely grateful for the £37k we did receive, 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 11.9% reflecting the growth in service provision and associated costs. We have experienced increased reliance on agency staffing, which is 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 inflation, 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 decreased during the last year, due to increased focus of both FitzRoy and the local authorities working closely together to resolve issues as they arise.

RESERVES POLICY

Maintaining financial sustainability is one of the key elements in the charity's on-going risk assessment. The Trustees and Executive team review the main risks to the charity as part of their annual procedures.

The general reserve target was reviewed in 2020 and a range of £5.0m to £8.4m was set 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 £542k to £6.3m due to the positive performance this year. Cash reserves increased by £2.7m to £6.6m due to a positive operational performance, alongside good debtor control.

At 31 March 2020 FitzRoy held a total of £20.0m in reserves, with £0.7m Restricted, £13.1m Designated (made up of Fixed Asset fund of £12.7m and Maintenance & Redevelopment fund of £0.4m) and £6.3m Free Reserve. It is expected that the designated Maintenance & Redevelopment fund will be utilised during 2020/21 to facilitate maintenance of our properties.

	£k
Restricted Funds:	
Amenity, Friends & Development	674
Designated Funds:	
Fixed Asset Fund	12,695
Maintenance & redevelopment	395
General Funds:	
Free Reserve	6,266
TOTAL FUNDS	20,030

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 £36k from £15k in the previous year to March 2019. The capital value of investments decreased this year with an unrealised loss in the year of £9k 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 £58k.

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 and retention - with additional concerns linked to Brexit uncertainty - a loss of income, any changes in regulation, fraud, pandemic 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.

We have seen a decline in inflation related fee increases compared to last year, which means uplifts remain 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 remained the same as last year, as a percentage of income at 2.8% (2019: 2.8%), a total of 33 (2019:45) 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 Executive 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.

Section 172 of the UK Companies Act 2006 states that all Trustees must act in accordance with a set of general duties. A Trustee of a charitable organisation must act in the way they consider, in good faith, would most likely promote the success of the charity for the benefit of its stakeholders as a whole, and in doing so have regard (amongst other matters) to the:

- likely consequences of any decisions in the long term;
- interests of the charitable company's employees;
- need to foster the charitable company's business relationships with suppliers, customers and other;
- impact of the charitable company's operations on the community and the environment;
- charitable company's reputation for standards and business conduct; and
- need to act fairly between members of the charitable company

The following paragraphs summarise how the Trustees fulfil their duties:

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 along with the Executive team. This provides 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.

People we Support & families

We have a service user group, called Nationwide, where members of this group regularly report to the Board with their suggestions for the organisation. The board also meet with the Nationwide group socially on an annual basis.

An annual satisfaction survey is carried out, this is completed by the people we support and all external stakeholders, the results of which are reported back to this same group as well as the board of Trustees. The results are then used in various forms of external marketing communications including the FitzRoy news, communications with commissioners, donors and families alike. The executive team, along with the board would reflect on suggestions, comments raised in the survey and feedback any actions.

Supporter & donors

We work closely with our supporters and donors to ensure we are engaging with them effectively. They receive our supporter communications based on their personal preferences and are engaged with on a one to one level with the fundraising team and CEO where appropriate.

The income from our supporters and donor's links into the Finance Committee which meets four times per year, where budgets, forecasts and results are reviewed. A report from the Director of Fundraising is reviewed by the main board on a bi-monthly basis.

We have a group of Ambassadors who are made up of long-term supporters of the charity, trustees are involved in the organised annual event to communicate the organisational strategy and get feedback from this valued group of supporters.

Employees

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.

Staff representatives from services partake in the staff forum which feeds into executive team and people committee. Making Microsoft teams available to all services has enabled communications to be carried out directly with staff teams, resulting in greater connections from senior management and their peers.

An annual staff survey is carried out with the results reported back to the board of Trustees, the Staff Forum group as well as team meetings. These group will then reflect, and review suggestions made, and report back with proposed actions.

Senior management and trustees visit services to meet with staff, the people we support and their families - where appropriate - as often as possible. Senior management also engage with the regional management teams on a regular basis where feedback from staff is also discussed along with their suggestions.

Suppliers

We value all our suppliers and have both local and national contracts, where appropriate. Communication transparency in dealing with suppliers is delegated to the Finance Committee and executive team who will discuss any major contracts and or supply issues as and when appropriate. Budgets, forecasts, and actual results are reviewed on a regular basis by the Finance Committee.

Community & Environment

FitzRoy hold community fundraising events in order to engage the local communities where the people we support live. We have local volunteers who support in many ways, which may include gardening, enabling the people we support to carry out volunteer work themselves, have a void in their community or carrying out activities within a service.

The trustees recognise the importance of leading a charity that not only generates value for its beneficiaries, but also to the wider society. We recognise the environmental and climate risks and we are committed to reducing, where possible, the impact of our operations and minimise our environmental impact. In order to achieve this FitzRoy ensures waste is recycled where possible, the most efficient light sources are used and will continue to ensure the use of the most energy efficient heating systems, double glazed sealed units are in place in order to reduce energy usage.

During the last financial year, FitzRoy used 3,961,991 kWh of energy from gas and electricity, as well as 146,161 litres of diesel, petrol and heating oil. This resulted in total gross kg CO₂ of 1,108,356 and an intensity ratio of tCO₂ of 0.03062 per £1m of income from care services.

The methodology used to produce these results was to collect the kWh, litres of diesel, petrol, and heating oil usage data from our various suppliers, we also used data collected from reimbursed business travel from our accounting systems. We then used the 'UK Government GHG Conversion Factors for Company Reporting' to convert the source data into kg CO₂e units and from then used our turnover for the year 2019/20 to produce our intensity ratio.

Modern Slavery

The organisation are committed to preventing modern slavery in its charitable activities and supply chains. Modern slavery encompasses slavery, forced labour, human trafficking, and domestic servitude. A copy of our modern slavery statement can be found on our website.

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the UK 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 judgements 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.

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. However, it is fundraising that enables us, particularly in an environment of shrinking care packages, to stay true to our values of providing transformative support.

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 now consists of four full-time equivalent professional fundraisers following expansion of the team this year. 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 including an Individuals in

Potentially Vulnerable Circumstances Policy. These are regularly reviewed by the Director of Communications who reports to the Board of Trustees on all aspects of fundraising strategy.

We received no complaints in relation to our fundraising in 2019/20.

Fundraising activities in 2019/20

Having had commitment from the Trustees to invest in the fundraising team, we spent this year building the strong foundations for an increase in our fundraising income in 2020/21 (although the impact of coronavirus will almost certainly make this much more of a challenge).

During the year, we recruited three new posts, a head of fundraising (separating out the function of fundraising and communications) and two posts focusing on the areas with the strongest growth potential – an Individual Giving Manager and a Philanthropy Manager.

To ensure we have solid foundations from which to grow our supporter base, we moved over to a new CRM system that better meets our needs. We also undertook analysis of our existing supporters, including carrying out a detailed survey so that we fully understand the priorities and motivations of our donors.

During the year, the fundraising team worked on developing a more fundraising-friendly culture within the organisation and we aim to continue building on this in 2020/21. Staff across the country took part in a wide range of fundraising activities to transform the lives of the people we support, including head shaves, skydives, running and hillwalking challenges and our first ever Firewalk.

Our fundraising income for 2019/20 totalled £384k. We did not reach our ambitious income targets largely due to a substantial drop in legacy income, as well as bedding in a new fundraising team and doing the groundwork to ensure we are in the best possible position to maximise opportunities for growth in 2020/21 – despite coronavirus.

At the end of the financial year, the coronavirus crisis was just starting to hit, and the fundraising team responded quickly and decisively, launching FitzRoy's first ever crisis appeal in March, which had a fantastic response.

We also launched a 'Gaming for Good' initiative and a 'Marathon in a Month' challenge which could be completed under lockdown conditions. Several staff signed up to participate as they see from the frontline the benefit of fundraised income. We are building a new 20/21 strategy for fundraising in the coronavirus context.

ORGANISATIONAL CHANGES

Board of Trustees

Sadly, we said goodbye to trustees Andy Lee, Neil Matthewman, Simon Mollett and Paul Woods who resigned during the year due to increasing personal and business commitments. We would like to thank them for their contribution, advice and guidance in

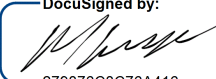
particular Simon and Andy who both chaired the Finance subcommittee during their tenure and contributed to the stewardship of the Charity over many years.

We also are delighted to have welcomed Justin Finnegan, Andrew Gore, Dawn Jacobs, Mark Sanderson and Sarah Nicholson to the Board of Trustees during the year.

Auditors

A resolution proposing that Moore Kingston Smith 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 August 2020 and are signed on their behalf by:

DocuSigned by:

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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 company') for the year ended 31 March 2020 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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

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' annual report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- annual report including the strategic 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 company and its environment obtained in the course of the audit we have not identified material misstatements in the trustees' annual report including the strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 9 September 2020

Devonshire House

60 Goswell Road

London

EC1M 7AD

Statement of Financial Activities for the year ended 31 March 2020 (Incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Total to 31 March 2020	Total to 31 March 2019 - Restated
		£	£	£	£
Income and endowments from:					
Donations and Legacies		230,080	154,477	384,557	826,063
Charitable Activities - Income from care services		36,199,140	-	36,199,140	32,422,358
Investment income & interest receivable		36,031	-	36,031	14,749
<i>Other:</i>					
Gain on sale of fixed asset		-	-	-	250
Total Income	2	36,465,251	154,477	36,619,728	33,263,420
Expenditure on:					
Raising Funds		180,317	-	180,317	152,982
Cost of care services		35,573,964	314,479	35,888,443	32,126,490
Total Expenditure	3	35,754,281	314,479	36,068,760	32,279,472
Net income/(expenditure)		728,970	(160,002)	550,968	983,948
Net gains/(loss) on revaluation of investments	5	(9,029)	-	(9,029)	7116
Transfers	9	17,826	(17,826)	-	-
Net movement of funds		719,767	(177,828)	541,939	991,064
<i>Reconciliation of funds:</i>					
Total funds at 1 st April 2019 (as previously stated)		15,531,309	852,103	16,383,412	15,616,827
<i>Component accounting restatement</i>	9	3,104,456	-	3,104,456	2,879,977
Total funds at 1 st April 2019 (restated)	9	18,635,765	852,103	19,487,868	18,496,804
Total funds carried forward	9	19,355,532	674,275	20,029,807	19,487,868

* 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.

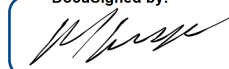
Balance Sheet as at 31 March 2020

Company Registration Number: 2699902

	Notes	2020			2019
		£	£	£	Re-stated £
Fixed assets					
Tangible assets	4				
Property			12,492,880		12,698,391
Equipment			202,203		122,537
			<u>12,695,083</u>		<u>12,820,928</u>
Investments	5		57,775		72,372
			<u>12,752,858</u>		<u>12,893,300</u>
Current assets					
Debtors	6	3,820,248		4,311,121	
Bank deposits		6,333,337		3,632,307	
Cash at bank and in hand		248,721		256,458	
		<u>10,402,306</u>		<u>8,199,886</u>	
Creditors: amounts falling due within one year	7	(3,125,357)		(1,605,318)	
Net Current Assets			<u>7,276,949</u>		<u>6,594,568</u>
Total assets less current liabilities			<u>20,029,807</u>		<u>19,487,868</u>
Total Net Assets			<u>20,029,807</u>		<u>19,487,868</u>
Funds					
Restricted income funds	9,10		674,275		852,103
Designated funds	9,10		13,089,870		13,486,130
Unrestricted income fund	9,10		6,265,662		5,149,635
Total charity funds	9,10		<u>20,029,807</u>		<u>19,487,868</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 13th August 2020 and signed on its behalf by:

DocuSigned by:

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Martin Kyndt
 Trustee and Chair of the Board of Trustees

DocuSigned by:

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Dawn Jacobs
 Chair of the Finance Committee

Cash Flow Statement for the year ended 31 March 2020

	Notes	2020	2019
		£	£
Net cash inflow from operating activities (See note below)		2,897,695	287,740
Cash flows from investing activities:			
Interest received		34,563	13,402
Investment income		1,468	1,347
Purchase of tangible fixed assets	4	(233,435)	(336,280)
Proceeds on investments/sale of fixed assets		5,569	250
Net cash from investing activities		(191,835)	(321,281)
Cash flows from financing activities:			
Repayment of borrowings		(12,454)	(74,063)
Interest paid		(113)	(3,620)
Net cash used in financing activities		(12,567)	(77,683)
Change in cash and cash equivalents in the reporting period		2,693,293	(111,224)
Cash at start of year		3,888,765	3,999,989
Cash at end of year		6,582,058	3,888,765
(Decrease)/Increase in Cash		2,693,293	(111,224)

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

	2020	2019
	£	£
Net incoming resources	541,939	991,065
Return from investments	(36,031)	(14,749)
(Gains)/losses on investments	9,029	(7,116)
Bank interest paid	113	3,620
Depreciation charge	359,280	429,689
Surplus on sale of asset	0	(250)
Decrease/(Increase) in debtors	490,874	(1,082,956)
Increase/(Decrease) in creditors	1,532,491	(31,563)
Net cash inflow from operating activities	2,897,695	287,740

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

Notes to the Financial Statements for the year ended 31 March 2020

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) Going concern

Covid-19 has affected us all in different ways, we are very lucky to be able to say that we have seen little impact on our fee income so far. The one area that has been affected is our day services, where the people we support are self-funded, we expect to see a full year reduction for 2020/21 of around £200k. Actions have been taken to mitigate these and any other potential losses, with detailed forecasts being reviewed by the board of trustees post year end. Based on these forecasts, actions taken to date and our strong reserves position, 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.

c) 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.

d) 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 reliably.

e) 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.

f) Tangible fixed assets

The costs of acquisition of and adaptation to freehold properties, excluding the land value, are depreciated over their useful lives

During the year FRS 102, component accounting was adopted and applied to all freehold property. Component accounting has been applied retrospectively, taking each property back to the original cost, this has resulted in prior year adjustments and the need for comparatives to be restated. The impact on the financial results for 2019/20 was a net gain of £283k and £223k for 2018/19. This new method is a more accurate method of depreciating our freehold property. The various components and associated useful lives are:

- Bathrooms - 10 years
- Boilers and heating - 15 years
- Bricks and mortar - 100 years
- Electrical re-wire - 30 years
- Kitchens - 15 years
- Lifts - 40 years
- Roofs (*flat & pitched*) - 25 & 50 years

Notes to the Financial Statements continued...

- Specialised baths - 10 years
- Windows and doors - 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:

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

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

g) 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.

h) 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.

i) Debtors

Fee and other debtors are measured at their recoverable amounts, prepayments are valued at the amount prepaid at 31 March 2020.

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

The Charity adopted component accounting during the year which involved analysing freehold land and buildings into its various component parts. This meant that some judgements and estimations had to be included within the accounts, in relation to the identification of the separate components for each property asset and their useful lives. To inform these decisions, the Housing SORP 2014 was used as a guide, along with our knowledge and experience of the actual life of the separate components. Once reviewed, we agreed on the useful lives of the assets stated under 1f Tangible Fixed Assets.

The Charity makes an estimate on the recoverable value of fee and other debtors. When assessing the impairment of these debtors, management considers factors including the ageing profile of the debtors and historical experience. £100,000 bad debt provision is included within the debtor balances in note 6.

n) Pension costs

The Charity participates in both defined benefit (multi-employer) and defined contribution schemes which require contributions to be made to separately administered funds. Contributions to the charity's defined contribution pension schemes are charged to the statement of financial activities in the year in which they are incurred. In the case of the multi-employer, defined benefit pension scheme where it is not possible to identify the underlying assets and liabilities relating to the individual participating

Notes to the Financial Statements continued...

employers, contributions for these schemes are also charged to the statement of financial activities in the year in which they are incurred.

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. £154,477 (2019 £363,016) of income from donations & legacies is classified as restricted, all other income was unrestricted.

3. EXPENDITURE

	Staff Costs £	Other Costs £	Total 2020 £	Total 2019 £
<i>Expenditure on:</i>				
Cost of Care Services				
Direct	28,795,163	4,593,490	33,388,652	29,816,446
Support	1,325,179	-	1,325,179	1,133,162
Marketing	-	36,806	36,806	30,587
Business Systems	-	175,957	175,957	128,146
Depreciation	-	27,610	27,610	41,644
Recruitment/Training/Insurance	-	140,358	140,358	112,709
Office & administration	-	644,247	644,247	711,833
Governance	105,000	44,633	149,633	151,963
	30,225,342	5,663,101	35,888,443	32,126,490
<i>Expenditure on raising funds:</i>				
Fundraising and publicity costs	129,031	51,286	180,317	152,982
Total Outgoing Resources	30,354,373	5,714,387	36,068,760	32,279,472

Expenditure included in the current year of £314,417 (18/19 £107,000) is classified as restricted against the cost of care services.

	2020 £	2019 £
Total resources expended are stated after charging:		
Auditor's remuneration –		
Audit services	27,750	28,380
Other services	-	4,969
Depreciation of fixed assets	359,280	429,689
Lease Payments –		
Land & buildings	209,208	274,822
Plant, Equipment & Vehicles	339,279	378,143
	£	£
Other costs, analysed above as Governance, cover the following categories:		
Auditor's remuneration	33,387	33,349
Trustee meeting costs	5,697	5,942
Governance related professional fees	2,974	2,696
Trustee expenses	2,575	4,976
	44,633	46,963

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...

	2020	2019
	£	£
Staff costs during the year amounted to:		
Salaries	23,537,070	21,391,252
Redundancy costs	109,948	17,442
Social security costs	1,700,285	1,519,477
Employer's pension contributions*	770,966	493,066
Apprenticeship levy	103,569	92,375
Other forms of employee benefits	65,686	63,863
	26,287,524	23,577,475
Agency staff costs	4,066,849	3,272,274
	30,354,373	26,849,749

*Includes increased NHS pension contributions of £176,896, following TUPE transfer during the year

	Number 2020	Number 2019
The average number of full time equivalent including overtime and non-contracted staff but excluding agency staff was:		
Care provision	996	942
Fundraising	4	3
Total	1000	945

	Number 2020	Number 2019
The average number of staff, comprising both part and fulltime employees, during the year, analysed by function was:		
Care provision	1418	1337
Fundraising	7	5
Total	1425	1342

At 31 March 2020, the Charity employed 510 (2019: 504) full time staff and 917 (2019: 855) 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 2020	Number 2019
£60,001 - £70,000	2	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£120,001 - £130,000	1	1

For the above members of staff pension contributions amounting to £38,617 (2019: £41,733) were paid into a money purchase plan. Total salaries and benefits paid to key management personnel & directors amounted to £487,311 (2019 £522,743).

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 £2,575 (2019: £3,360) and were paid to 4 (2019: 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 (2019: none).

Notes to the Financial Statements continued...

4. TANGIBLE FIXED ASSETS

	Freehold property	Assets under construc tion	Long leasehold	Short leasehold	Computers	Furniture & Equipment	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2019	14,304,151	271,291	789,451	658,323	323,511	1,114,265	17,460,992
Additions	100,833	6,370	-	4,037	-	122,195	233,435
At 31 March 2020	14,404,984	277,661	789,451	662,360	323,511	1,236,460	17,694,427
Depreciation							
At 1 April 2019 Re-stated	2,262,098	-	789,451	273,276	313,522	1,001,717	4,640,064
Charge for year	260,445	-	-	56,306	7,452	35,077	359,280
At 31 March 2020	2,522,543	-	789,451	329,582	320,974	1,036,794	4,999,344
Net book value							
At 31 March 2019 Re-stated	12,042,053	271,291	-	385,047	9,989	112,548	12,820,928
At 31 March 2020	11,882,441	277,661	-	332,778	2,537	199,666	12,695,083

5. INVESTMENTS

	2020 £	2019 £
Market Value at 1 April 2019	72,372	65,256
Sale proceeds	(5,568)	-
Net unrealised investment gain/(losses)	(9,029)	7,116
Market Value as at 31 March 2020	57,775	72,372

Investments are analysed as follows:

Government Bonds	14,000	14,000
UK Equities	25,464	35,640
UK Investment Trusts	13,464	17,885
UK Unit Trusts	4,847	4,847
TOTAL	57,775	72,372

Notes to the Financial Statements continued...

6. DEBTORS AND PREPAYMENTS

	2020	2019
	£	£
Fee debtors	2,838,370	2,900,245
Accrued income	599,083	771,860
Other debtors (including legacy 2018/19)	155,910	445,281
Prepayments	226,885	193,735
	3,820,248	4,311,121

During the year we benefited from good debtor control, therefore reducing the year end balances despite the increased revenue.

7. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	399,104	395,096
Accruals and deferred income	1,557,300	475,958
Other creditors	775,783	346,465
Taxation and social security	393,170	375,345
Bank Loan	-	12,454
	3,125,357	1,605,318

Deferred income relates to invoicing for care services in late March 2020, relating to services provided during April 2020 £870k (2019 £0k).

The terms of the bank loan were that the principal was 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 was secured on the FitzRoy head office building, which was released during the year.

8. CONTINGENT LIABILITIES

Whilst we await the decision from the Supreme Court regarding the Mencap vs Tomlinson-Blake appeal, the previously estimated liability in relation to back dated pay for sleep in payments at national minimum wages is estimated at £150k. As 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 £150k.

9. FUNDS

	Balance at 1 April 2019 Re-stated	Incoming resources & unrealised loss	Outgoing resources	Inter fund transfers	Balance at 31 March 2020
	£	£	£	£	£
Restricted funds					
Amenity and Friends Funds	697,338	154,477	(307,778)	(17,826)	526,211
Development funds	154,765	-	(6,701)	-	148,064
sub-total	852,103	154,477	(314,479)	(17,826)	674,275

Notes to the Financial Statements continued...

Designated funds

Fixed asset funds	12,808,475	-	(359,280)	245,888	12,695,083
Maintenance and redevelopment projects	677,655	-	(132,495)	(150,373)	394,787
sub-total	13,486,130	-	(491,775)	95,515	13,089,870
General fund	5,149,635	36,456,222	(35,262,506)	(77,689)	6,265,662
Total funds	19,487,868	36,610,699	(36,068,760)	-	20,029,807

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. As a result of adopting FRS 102 Component Accounting during the year, the review of all property assets and associated depreciation, means that our Fixed Asset Fund has increased by £3.1m, to £12.7m at 31.03.2020. 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 2020 £
Tangible fixed assets	12,695,083	-	12,695,083
Investments	57,775	-	57,775
Net Current Assets	6,602,674	674,275	7,276,949
Creditors: amounts due after more than one year	-	-	-
Total	19,355,532	674,275	20,029,807

11. PENSION SCHEMES

- a) The Charity contributes towards three employee pension schemes. The Creative Personal Pension Scheme is a money purchase plan with the Charity contributing between 4% and 10% of members' salaries, and up to 3% 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. Both LGPS schemes have carried out valuations in 2019, allocating the FitzRoy share of liabilities which total £5.1k over the next 3 years. Contributions for both NHS and LGPS schemes vary and are advised by either the NHS or LGPS administrating bodies.

Notes to the Financial Statements continued...

12. OPERATING LEASE COMMITMENTS

	Land & Buildings	Plant, Equipment & Vehicles	Other	Land & Buildings	Plant, Equipment & Vehicles	Other
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Total future minimum lease payments under operating leases, expiring:						
Within one year	204,189	186,316	35,712	253,657	242,470	20,479
In the second to the fifth year	358,548	360,294	71,965	635,431	366,414	52,895
After five years	37,299	-	-	186,419	-	959
Total	600,036	546,610	107,677	1,075,507	608,884	74,333

13. CAPITAL COMMITMENTS

No significant capital commitments at the time of signing, however we continue to invest in our business systems and properties.

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 – See the Person, Be Brave and Be Creative - 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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