

Company Registration Number 01658354
Registered Charity Number (E&W) 285575
Registered Charity Number (Scotland) SCO 39129



THE ASSOCIATION FOR REAL CHANGE
(A Company limited by guarantee)

TRUSTEES REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

THE ASSOCIATION FOR REAL CHANGE

TRUSTEES REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

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THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019

The Association for Real Change (ARC) is a charity and a company limited by guarantee. It is generally known in the sector by its acronym ARC. It is registered with the Charity Commission and the Office of the Scottish Charity Regulator.

Reference and Administrative Information

Registered office & Shared Services:	ARC House 10a Marsden Street Chesterfield S40 1JY
Telephone number:	01246 555043
Website:	www.arcuk.org.uk
Email:	info@arcuk.org.uk
Bankers:	Lloyds Bank Plc Church Street Sheffield
Auditors:	BHP LLP Chartered Accountants 57-59 Saltergate Chesterfield Derbyshire S40 1UL
Insurance advisors:	Arthur J Gallagher
Registered Company no:	01658354
Registered Charity no:	285575 (E&W)
Scottish Registered Charity no:	SCO 39129

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019

Directors and Trustees:

Kate Allen	Autism at Kingwood
Chris Bennett	Individual (Resigned October 2018)
John Crawford	Yarrow Housing
Graeme Fitzsimmons	Individual
Peter Jung	National Autistic Society – UK Chair (Resigned June 2019)
Agnes Lunny OBE	Positive Futures
Phil Morris	Havencare (South West) Ltd
Jane Other	William Blake House
Jenny Paterson	Breakthrough Dundee
Anthea Sully	Individual (Resigned September 2018)
Gary Thompson	Individual

Principal officers and member organisations represented in the year:

ARC UK Chair:	Graeme Fitzsimmons (Chair appointed September 2018)
	Peter Jung (Chair resignation September 2018)
	Phil Morris (Interim Chair appointed June 2019)
Hon Treasurer:	Phil Morris (Hon Treasurer appointment November 2018)
Acting Hon Treasurer:	Chris Bennett (Acting Hon Treasurer appointment March 2018)

Senior management team:

Chris Bennett	Managing Director (Appointed Nov 2018)
Máire Gallagher	Managing Director (Resigned Oct 2018)
Lisa Lenton	England Director
James Fletcher	Scotland Director
Leslie-Anne Newton	Northern Ireland Director
Martin Anderson	Finance Director

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019

Governing document

ARC was incorporated as a company limited by guarantee in 1982 and is governed in accordance with its Memorandum and Articles of Association.

Principal aims and activities

The founding members who created the ARC wanted to give it as much freedom as possible through its overall charitable objectives to have a wide impact on the sector. Its two stated charitable objectives are to work for:

1. The education and training of all organisations, associations, individuals and / or groups of individuals concerned with the care of people with learning disabilities.
2. The study of and research into all matters affecting people with learning difficulties and to obtain and make records of and disseminate all useful results of such research.

The Memorandum of Association, our founding document sets out what we are here for and what we can do to meet our aims, including things such as:

- Have a membership of organisations and people who support our aims.
- Working with other groups with similar aims and talking to other providers, local and central government.
- Pressing for legislation to help further to our cause.
- And finally a wide clause allowing us to do "all such other lawful things as are incidental to the attainment of our charitable objectives".

In this report we explore our activities in terms of delivering public benefit through the implementation of our strategic plan and link those to our charitable objectives. We are subject to three regulators, Companies House, the Charity Commission of England and Wales and the Office of the Scottish Charity Regulator as we work across the UK in all the four nation countries, adapted to meet the different situations in each country. Our governance and strategic offer is designed to reflect each nation country, as part of the UK wide membership and as the needs and aspirations of people with learning disabilities do not change across national boundaries this report reflects all our work across the whole of the UK.

Measurement of success

Continuing dialogue with our members and stakeholders, through communication surveys, improved evaluation and building up better knowledge on our Customer Databases ARC has further developed its strategic aims across the UK, focusing on the specific needs of each nation country – setting out the significant changes that we want to see in each nation country as a result of our activities.

By articulating the outcomes, we want to see through a set of outcome indicators ARC is clear that it intends to see these changes for:

- Providers
- Practices and policies
- Individuals and communities

We are always aware of the constant tension between our intended population outcome – to improve quality of life for people with learning disabilities – and our performance outcome – supporting our members and stakeholders to help them achieve the best outcomes for the people they support.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

We now measure the difference we will make by asking our members and stakeholders:

1. How much difference have we made?
2. And is anyone better off as a result?

We monitor our operational objectives by measuring:

- How much of something have we done?
- How often?
- How well?

Public benefit requirement

As a specialist infrastructure organisation ARC is clear about its role: we exist to support voluntary, community, social enterprise, statutory sector and independent sector provider organisations to achieve their aims to support people with learning disabilities to achieve the best outcomes and improve their wellbeing. We do this through a variety of ways and our activities demonstrate that there is a public benefit through an improvement in the quality of all kinds of services to support people with learning disabilities.

Strengthening infrastructure support for the learning disabilities sector is vital to ensuring that people with learning disabilities can achieve quality of life and the best outcomes.

This is achieved by ARC doing such things as:

Working with provider organisation

- Helping develop Health & Social Care workforce by:
 - o Providing good quality, inspirational training
 - o Producing relevant, up to date training materials aimed at improving practice
 - o Offering bespoke consultancy for organisations to improve organisational learning and development
- Helping to share best practice and policy information distribution:
 - o Distributing information on current policy and practice developments in the four nation countries
 - o Producing briefing material on best practice
 - o Circulating regular newsletters promoting the sector, its work and outcomes
- Ensuring the voice and influence of the sector is heard by local policy makers by
 - o Responding to policy maker's consultations on what works and what doesn't work
 - o Working with policy makers to connect and liaise with providers and service users through networks and forums
 - o Membership of national Boards and policy making advice groups and forums including skills councils, government advisory groups and national networks
- Working with people with learning disabilities
 - o Best practice and research projects involving people with learning disabilities
 - o Developing advocacy skills and networks, including Scotland Charter for Involvement and facilitating involvement of long stay patients (Telling It like It Is Group) at Muckamore Abbey Hospital.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

Who governs ARC?

The Board of ARC meets four times a year in addition to the AGM. There is a finance sub-group and a HR and Risk sub-group which meet four times a year.

The Board members of ARC act as trustees and have the powers and obligations of company directors under the Companies Act 2006. The trustees were not entitled to or paid any remuneration but £5,170 was paid to trustees (or their organisations) for travelling expenses. ARC also purchased insurance to protect it from any loss which might arise from neglect or any default of its senior staff or trustees and to indemnify the trustees against the consequences of loss or default on their part. This insurance cost £980.

Organisational structure and key management remuneration

The directors consider the senior management team to comprise the key management personnel of the charity in charge of directing, controlling and operating the charity on a day to day basis.

The pay of the senior management team is reviewed annually and any increases are agreed by the board.

Membership of ARC

By becoming a member of ARC, provider organisations benefit from being involved in a diverse community, sharing ideas stemming from shared values, and benefitting from opportunities to collaborate, build relationships and network with likeminded people.

Having a shared voice and joining with like-minded organisations to influence government policy and developments via representation at local, regional and national levels is key to our work.

Being supported with guidance and information to keep up-to-date with news and abreast of key developments within the sector and access to training, consultancy and funding opportunities to help develop a competent, qualified workforce.

Other benefits include:

- Discounts on publications, training, events and conferences.
- Access to a wide range of qualifications with reduced rates for Registration and Certification.
- Participation in ARC projects and pilot training programmes.

The Association for Real Change exists to improve the quality of life for people who have a learning disability by supporting anyone who is involved in the planning or delivery of support or services. We know that our work may also benefit people who have other support needs and we are committed to sharing our learning and experience across all sectors that may benefit.

This is a time of unprecedented change in social care and we at ARC have adapted our organisation and our activities to ensure that we are well-positioned to support the sector in the face of its challenges. We developed a range of new partnerships, projects and activities, in response to members' needs. We continue to achieve above our own high expectations in the face of an uncertain and challenging operational environment.

Plans for the future

We passionately believe in promoting and supporting real change that enables people with learning disabilities to live the lives they choose. We have continued to support our members and others to put people with learning disabilities at the centre of decision making, and in the heart of their communities.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

Despite operating in an environment of continued austerity and limited political leadership, not least due to the UK focusing on Brexit; we continue to influence the System in which we operate – connecting with and influencing local authorities and national governments, regulators, and the wider Health & Social Care sector. ARC will continue to work with all those who share our vision and values through:

- Membership
- Training
- Influencing policy development and review
- Project work for the furtherance of our mission

ARC works with both autonomy and in collaboration with our stakeholders to influence and drive the most positive change within the sector. We will continue to select and deliver the most relevant projects with the greatest impact for our beneficiaries.

Recent scandals including Whorlton Hall in Durham show that the lessons from Winterbourne View in 2011 and other previous cases has not been learnt. Our work to promote and support best practice across the system has never been more needed.

We will continue to improve our Governance and representation through the recruitment of additional Trustees who share our values and have the necessary skills and/or lived experience to support our vision and mission.

The work of our sub committees (Finance Sub-Committee and Human Resources and Risk Management Sub-Committee) continues to offer scrutiny and supports ARC to ensure compliance and develop quality.

Building on our successes in 2019, we will be recruiting new posts in all three Nations to help promote and support our planned projects and activities.

Despite ongoing political and economic uncertainty, ARC has worked tirelessly to build a foundation to enable continued delivery through challenging times. Our reputation of harnessing a collective voice of member organisations, their professional circles and supported people gives us the platform to drive real change in 2019/20 and beyond.

People who have supported us in 2018/2019

We thank all those individuals, organisations, Charities, Local Authorities and Health Authorities that have continued to share our values and support our work in 2018/19. We value all our relationships and networks, as it is the collective voice that speaks the loudest. We appreciate all support and collaboration to date and this will be an essential factor in putting all people with learning disabilities at the centre of decisions and in the heart of their communities in 2019/20. These include:

Aberdeen Council
Belfast Health and Social Care Trust
Big Lottery
Department for the Economy
Department of Health Northern Ireland
Esmee Fairbairn
Independent Living Fund Scotland
Institute for Strategic Dialogue / Google.org
Scottish Funding Council
Scottish Government
Skills for Care (England)
South Eastern Health and Social Care Trust
Western Health and Social Care Trust

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

Financial Health

After seeing an increase in funds of £80,005 in the previous year (of which £69,524 was an increase in unrestricted funds and £10,481 increase in restricted funds) ARC experienced an increase in funds of £89,650 (of which £4,982 was a reduction in unrestricted funds and a £94,632 increase in restricted funds) on a total income down from £1.890m to £1.830m

Income from fundraising and projects

ARC is not easy to fundraise for since we do not normally provide direct service to people with learning disabilities and many trusts look at our membership and realise that they already support many of them. We are therefore especially grateful to those agencies, who do support us. Some of the supporters have wished to remain anonymous, but we do thank all of those who have supported us.

Investment Policy

Investment decisions are taken by the Finance sub-group. ARC's current investment policy is to hold monies in high interest bearing accounts with banks for periods ranging from one to six months to maximise interest and accessibility. ARC has no permanent endowment and provides for capital expenditure from within budget. We have reviewed this policy in the light of recent financial uncertainty and spread the money wider in to the COIF Charities Deposit Funds as a means of further reducing risk whilst still looking for a respectable return.

Reserves

The trustees have agreed a policy with regard to achieving an unrestricted reserves level equivalent to the costs of three months' operations in order to enable an orderly shutdown of operations should it become necessary. The board of ARC has agreed the means by which these figures should be calculated and will review them each year when the budget for the coming year is set, taking account of redundancy liabilities, lease contracts and foreseeable operational costs to sustain an orderly closure. For the year 2018/2019 the target for the reserves was calculated at £231k and by March 2019 ARC's total unrestricted reserves stood at £225k.

Risk Management

The board of ARC works hard to ensure it has proper arrangements for the systematic assessment and periodic review of the risks facing the organisation, with appropriate measures being taken to prioritise, manage and minimise the risks identified. It also has a system for keeping all of ARC's operational policies under review. In the year, the board has improved its reporting procedures using a traffic light approach to identify risks in our financial reporting and in our efforts to ensure good governance, the board has begun a full review of its Articles of Association. The aim is to make these more accessible, less unwieldy, fit for purpose and future proof.

Induction and training of trustees

All of ARC's trustees are very senior staff from within member organisations with significant experience of providing services, (this is a condition of membership of the Board of ARC). Prior to agreeing to stand for the board of ARC they are sent an outline of what becoming a trustee of ARC involves, the various criteria they must meet, and upon their election they are sent an information pack for new trustees. This contains details of the structure of and post holders within ARC as well as copies of the Charity Commission publications on the roles of trustee. Direct support for new trustees, is provided on request, by the Chair and Managing Director.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

Trustees' responsibility statement

The trustees (who are also directors of The Association for Real Change for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP 2015 (FRS102)
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the time the financial statements were approved:

- As far as the trustees are aware, there was no relevant audit information of which the auditors were unaware and
- The trustees have taken all the steps necessary as trustees to make themselves aware of any relevant audit information and to establish that the auditors were aware of that information.

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

Appointment of auditors

A resolution for the re-tendering of the Audit service for the coming year will be proposed at the forthcoming annual general meeting.

By order of the board, 18th September 2019



Phil Morris
UK Vice-Chair, on behalf of the Board

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF THE ASSOCIATION FOR REAL CHANGE

Opinion

We have audited the financial statements of The Association for Real Change (the 'charitable company') for the year ended 31 March 2019 which comprises the Statement of Financial Activities, Balance Sheet, Cash Flow and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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, 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 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 trustees are responsible for the other information. The other information comprises the information included in the trustees annual report other than the financial statements and our audit report thereon. 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.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF THE ASSOCIATION FOR REAL CHANGE

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF THE ASSOCIATION FOR REAL CHANGE

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 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 on the Financial Reporting Council's website at: 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.

Mr Adrian Staniforth (Senior Statutory Auditor)

Date: 18th September 2019

For and on behalf of
BHP LLP, Chartered Accountants
Statutory Auditor

57-59 Saltergate
Chesterfield
Derbyshire
S40 1UL

THE ASSOCIATION FOR REAL CHANGE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Income					
Charitable activities:					
Membership subscriptions		80,078	-	80,078	79,973
Grants	(5)	-	898,190	898,190	963,511
Training & conferences		540,887	-	540,887	569,408
Services to members		308,326	-	308,326	276,547
Other trading activities:					
Publications		41	-	41	52
Donations & Gifts		-	-	-	50
Investment income		2,929	-	2,929	686
Total income		<u>932,261</u>	<u>898,190</u>	<u>1,830,451</u>	<u>1,890,227</u>
Expenditure					
Charitable activities					
Special projects	(5)	-	803,558	803,558	953,030
Training and conferences		382,038	-	382,038	384,968
Services to members		555,205	-	555,205	472,224
Total expenditure	(3)	<u>937,243</u>	<u>803,558</u>	<u>1,740,801</u>	<u>1,810,222</u>
Net incoming/(outgoing) resources for the year		(4,982)	94,632	89,650	80,005
Balances brought forward at 1 April 2018		<u>229,846</u>	<u>40,408</u>	<u>270,254</u>	<u>190,249</u>
Balances carried forward at 31 March 2019	(10)	<u>224,864</u>	<u>135,040</u>	<u>359,904</u>	<u>270,254</u>

THE ASSOCIATION FOR REAL CHANGE

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2019

	<u>Note</u>	2019 £	2018 £
Fixed assets			
Tangible fixed assets	(7)	5,884	4,184
Current assets			
Trade debtors		139,303	151,200
Prepayments and accrued income		7,701	82,717
Cash at bank and in hand		691,527	538,827
		<u>838,531</u>	<u>772,744</u>
Creditors: amounts falling due within one year			
Taxation and social security costs		16,328	14,378
Trade Creditors		80,194	91,321
Other creditors		41,091	34,025
Accruals		20,401	17,602
Deferred income	(8)	326,497	349,348
		<u>484,511</u>	<u>506,674</u>
Net current assets		<u>354,020</u>	<u>266,070</u>
Total assets less current liabilities		<u>359,904</u>	<u>270,254</u>
Funds			
Restricted funds	(5)	135,040	40,408
Unrestricted funds	(10)	224,864	229,846
Total funds	(10)	<u>359,904</u>	<u>270,254</u>

Approved by the board on 18th September 2019 and signed on their behalf by:



Phil Morris – UK Vice-Chair

The notes on pages 15 to 23 form part of these financial statements.

Company Registration Number 01658354

THE ASSOCIATION FOR REAL CHANGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	<u>Note</u>	2019 £	2018 £
Cash used in operating activities	(9)	<u>157,234</u>	<u>83,100</u>
Cash flows from investing activities			
Interest received		2,929	686
Purchase of tangible fixed assets		<u>(7,463)</u>	<u>(2,730)</u>
Cash provided by (used in) investing activities		<u>(4,534)</u>	<u>(2,044)</u>
Increase in cash and cash equivalents in the year		152,700	81,056
Cash and cash equivalents at the beginning of the year		<u>538,827</u>	<u>457,771</u>
Cash and cash equivalents at the end of the year		<u>691,527</u>	<u>538,827</u>

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Association for Real Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

b) Company status

The charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Income

Income from membership subscription is recognised over the period of the subscription.

Income from grants is recognised in the period in which the grant relates to.

Income from training course fees is recognised over the duration of the course. Fees are generally invoiced in full at the time of enrolment. Income is recognised as each stage of the course is completed by the candidate and an assessment of that stage has been carried out by our assessors. Fees for conferences are invoiced in advance and recognised as income in the period in which the conference takes place. Income from services to members is recognised in the period in which the related expenditure occurs.

Income from publications, donations and investment income are recognised when they are received.

d) Fund accounting

The unrestricted funds comprise general funds which are available for use by the charity for its general objectives. The restricted funds are subject to restrictive conditions made by the grant making body or donor. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Operating leases

The rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

1. Accounting Policies - continued

f) The recognition of liabilities

Resources expended are accounted for on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure.

g) Services to members

This expenditure includes network costs, the costs of the national offices, the costs of providing the Disclosure services and the costs of the annual conference.

h) Support costs

Support costs have been allocated to activities based on the ratio of the individual activity expenditure against the overall expenditure, as detailed in note 3.

i) Costs of generating funds

This expenditure is an allocation of time spent and other resources expended in connection with fundraising.

j) Pension scheme

The company contributes to a stakeholder pension scheme. The pension costs charged in the financial statements represent the contributions payable by the charity during the year, in accordance with FRS102.

k) Irrecoverable VAT

The company is not registered for VAT. Any irrecoverable VAT is charged against the expense to which the item relates.

l) Foreign currency translation

The company operates a Euro bank account. The balance at the year end is translated into Sterling at the rate prevailing at the balance sheet date. Any transactions throughout the period are translated at the rate at the time, and any exchange difference is taken to the Statement of Financial Activities to the relevant heading.

m) Tangible fixed assets

Assets costing more than £200 are capitalised and depreciated over their estimated useful life.

Depreciation is charged as follows -

Office equipment	33.3% Straight Line
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n) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

1. Accounting Policies - continued

o) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

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 normally recognised at their settlement amount after allowing for any trade discounts due.

q) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2. Incoming resources

Net incoming resources are stated after charging	2019	2018
	£	£
Depreciation	5,764	3,370
Auditors remuneration	7,870	7,546
Operating leases	40,245	37,581

Income from unrestricted funds totalled £932,261 (2018: £926,716), and from restricted funds totalled £898,190 (2018: £963,511)

3. Total expenditure

	2019	2018
	£	£
Direct costs	1,655,678	1,752,636
Support costs	85,123	57,586
Total expenditure	1,740,801	1,810,222

Expenditure of unrestricted funds totalled £937,243 (2018: £857,192), and of restricted funds totalled £803,558 (2018: £953,030)

The support costs are allocated to activities below:

	Training & conferences	Service to members	Total 2019
	£	£	£
Finance & IT	17,240	25,053	42,293
Secretarial	6,054	8,799	14,853
Management	11,404	16,573	27,977
	34,698	50,425	85,123

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

4. Tax

As a charity, The Association for Real Change is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

5. Restricted funds

	Resources Incoming £	Resources Outgoing £	B/forward 01/04/2018 £	C/forward 31/03/2019 £
Workforce Development Funding	275,705	275,705	-	-
Progress Scotland – Aberdeen	10,667	10,667	-	-
TILII Belfast Project	34,542	34,542	-	-
TILII South Eastern Project	23,460	23,460	-	-
Big Lottery Fund	48,081	29,111	-	18,970
Scottish Government – BLF Matched	38,109	23,073	-	15,036
Get SMART	32,372	31,922	(450)	-
Charter	52,182	52,182	-	-
Department of Health NI	6,250	2,518	2,021	5,753
Self Directed Support	27,408	27,408	-	-
PHA Project	-	31	4,215	4,184
WRSAC	3,980	3,632	(348)	-
EIP	7,581	15,838	9,853	1596
ILF	-	5,000	5,000	-
WDIF (Active Support)	12,113	17,305	-	(5,192)
Transitions	78,902	78,902	-	-
Transitions (Esmee Fairbairn)	59,862	-	-	59,862
Provider Forums	50,000	58,753	14,025	5,272
Transitions (Autism)	-	6,092	6,092	-
US Too	24,972	300	-	24,672
TILII Western	10,500	7,875	-	2,625
Tilii Translates	2,262	-	-	2,262
SOLD	99,242	99,242	-	-
Total – Charitable Activities				
Restricted funds	898,190	803,558	40,408	135,040

The expenditure against the Get WDIF (Active Support) project will be covered by future grant receipts for additional work on these ongoing projects.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

5. Restricted funds (Continued) – Prior year

	Resources Incoming £	Resources Outgoing £	B/forward 01/04/2017 £	C/forward 31/03/2018 £
Skills for Care W.D.F	378,255	378,255	-	-
Progress Scotland – Aberdeen	10,667	10,667	-	-
NI – Tili (Belfast)	30,416	30,416	-	-
NI – Tili (South)	23,000	23,000	-	-
Optio	89,298	93,453	4,155	-
Get SMART	-	450	-	(450)
Charter	105,519	105,519	-	-
Department of Health NI	4,400	2,379	-	2,021
Self Directed Support (2)	75,260	75,260	-	-
PHA Project	4,395	180	-	4,215
WRSAC	-	348	-	(348)
EIP	10,000	147	-	9,853
ILF	5,000	-	-	5,000
Charter Talking Mats		9,510	9,510	-
Transitions	62,902	65,800	2,898	-
Progress Scotland	54,346	48,503	8,182	14,025
Transitions (Autism)	11,059	5,498	531	6,092
SOLD	98,994	103,645	4,651	-
Total – Charitable Activities				
Restricted funds	963,511	953,030	29,927	40,408

The restricted grants received were utilised for the purposes for which they were given, as outlined below.

Workforce Development Funding (Funded by Skills for Care)

This project enables provider organisations to claim monies for completing courses and gaining qualifications.

Progress Scotland – Aberdeen (Funded by Aberdeen Council)

Development and support of self advocacy groups within Aberdeenshire.

TILII Belfast Project (Telling it Like it is) (Funded by Belfast HSCT)

ARC NI supports a self-advocacy group in the community and two further groups in Muckamore Abbey Hospital. TILII Belfast supports over 25 people with a learning disability to complete a range of activities, including delivering induction training to new staff, writing good news stories in their capacity as Roving Reporters, and delivering influencing presentations to support their messages being heard by a diverse range of stakeholders.

TILII South Eastern Project (Telling it Like it is) (Funded by Southern Eastern HSC Trust)

ARC NI supports self-advocacy groups in Downpatrick, Lisburn and Bangor. TILII in the South Eastern area supports over 20 people with a learning disability to complete a range of activities, including delivering induction training to new staff, writing good news stories in their capacity as Roving Reporters, and delivering influencing presentations to support their messages being heard by a diverse range of stakeholders.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

5. Restricted funds (Continued)

Local Involvement Networks (Funded by Big Lottery Fund and Scottish Government)

This project is to support the local implementation of the Charter for Involvement.

Get SMART (Funded by the Institute for Strategic Dialogue / Google)

This project will help to keep students with a learning disability/autism safe from grooming via social media, in to extremism, working with a special educational needs school and a college of further education.

Charter

To update and promote the Charter for Involvement.

Department of Health NI – Office of Social Services (OSS)

This recurring annual funding called Training Support Programme for the Voluntary & Community Sector, enables ARC NI to offer free QCF Level 3 accredited courses to social care staff.

Self Directed Support Project (Funded by the Scottish Government)

Improve the life chances of young people with additional support needs who are making the transition from school or college by increasing the capacity of providers to offer them choice, independence and control.

Public Health Agency (Funded by The PPI Grant)

This project promotes and advances Personal & Public Involvement (PPI). TILII members were commissioned to support the awareness raising of the Hospital Passport across their peer group, hospital staff and carers. Activities include attending public events, interviewing delegates and producing a roving report showcasing the event. TILII also conducted research with over 100 peers, exploring their knowledge and views of the recently published Hospital Passport and delivered training to 15 staff who work within the Procurement and Logistics Service, increasing their understanding of how to better meet the needs of adults with a learning disability, including different communication techniques.

WRSAC (Funded by WRSAC)

We are working with a Women's Rape and Sexual Abuse Centre in Bodmin to equip people with learning disabilities to train professionals, so they may help support people with learning disabilities who may have been victims by domestic abuse or sexual abuse more effectively. By the end of the project, the training team in Cornwall will be able to deliver training to a range of professionals, including the Police.

EIP (Funded by Scottish Funding Council)

To deliver 'Getting Transitions Right' to staff in all of Scotland's FE colleges and pilot in three universities.

ILF (Funded by the Scottish Government)

Support the delivery and promotion of the new Independent Living Fund 'Transitions' award.

WDIF – Embedding Personalisation (Active Support) – (Funded by Skills for Care)

The project is a pilot and will seek to change organisational culture and practice of a learning disability/autism provider across a number of their services. This will lead to staff working as 'enablers' rather than traditional 'carers' to promote greater independence, empowerment and personalisation for people who access support, using the model known as Active Support. This model looks for opportunities for staff to 'to with' rather than 'do for' when supporting people with a learning disability and/or autism. The project will also measure the impact of this during the life of the project.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

5. Restricted funds Continued

Transitions (Funded by the Scottish Government and Esmee Fairbairn Foundation)

This project was to ensure that the Scottish Transitions forum influences practice and policy at a national level. Also to produce and launch the Principles of Good Transitions 3.

Provider Forums (Funded by the Scottish Government)

Help people with learning disability lead full and active lives and be at the heart of their local community, really shaping what happens.

Transitions - Autism (Funded by the Scottish Government)

This project mapped the provision of support for young people with additional needs who are in transition in Scotland.

US Too (Funded by Comic Relief)

This project is to tackle ending violence (domestic abuse and sexual violence) against women with a learning disability. We will do this by holding awareness sessions, facilitated by a Peer Trainer (a woman with a learning disability who has lived experience), for other women with learning disabilities and the staff who support them to understand what domestic abuse and sexual violence is, identify when it is happening and know what to do about it. We will then work with local women's crisis centres and a national umbrella body to raise accessibility of their specialist services so that if a women presents with a learning disability, they are able to meet their support needs.

TILII Western (Telling it like it is) (Funded by the Western Health & Social Care Trust)

ARC NI supports a self-advocacy group in Omagh & Fermanagh. TILII in the west was new in 2019/19 and currently supports over 20 people with a learning disability to complete a range of activities, including writing good news stories in their capacity as Roving Reporters, and delivering influencing presentations to support their messages being heard by a diverse range of stakeholders.

TILII Translates (Funded by the Belfast HSCT)

ARC NI is piloting a social enterprise model of offering easy read translation service. This pilot project has been kickstarted with funds from BHSCT, including the support of a SLT resource and other Trusts are watching how the social enterprise grows.

SOLD (Funded by the Scottish Government)

This project is to support and develop the Supporting Offenders with Learning Disabilities (SOLD) network, to form the National Criminal Justice Action Group as described in the 'Keys to Life' recommendation 46.

6. Staff Costs

	2019	2018
	£	£
Staff costs:		
Wages & salaries	637,641	625,178
Pension costs	31,681	30,898
Social security cost	58,115	56,215
Totals	727,437	712,291

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

6. Staff Costs (continued)

The average number of employees on a FTE basis.
And the areas in which they work are as follows:

	No.	No.
Charitable activities	14	13
Support Services	8	9
Average number of employees	<u>22</u>	<u>22</u>

The directors, who are Trustees of the Charity, were not entitled to, and did not receive any emoluments from the company during the year. Their travel expenses to meetings during the year amounted to £5,170 (2018: £2,085).

Staff pension contributions unpaid at the year end were £237 (2018: £237).

There are no staff with emoluments in excess of £60,000 (2018: None).

The total amount of employee benefits received by key management personnel is £204,081 (2018: £186,811). The charity considers its key management personnel to be the staff who comprise of the Managing Director, Country Directors and the Finance Director

7 Tangible Fixed Assets

	Office equipment £
Cost	
Balance as at 1 April 2018	26,795
Additions during the year	7,463
Disposals during the year	(2,592)
Balance at 31 March 2019	<u>31,666</u>
Depreciation	
Balance as at 1 April 2018	22,611
Disposals during year	(2,592)
Charge for the year	5,763
Balance as at 31 March 2019	<u>25,782</u>
Net book value 31 March 2019	<u>5,884</u>
Net book value 31 March 2018	<u>4,184</u>

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 - CONTINUED

8. Deferred income

<u>Course and Conference fees</u>	2019 £	2018 £
Received in advance at the beginning of the year	349,348	280,906
Total fees received in the year	518,036	637,850
Statement of financial activities	(540,887)	(569,408)
Received in advance at the end of the year	326,497	349,348

9. Reconciliation of net movement in funds To net cash flow from operating activities

	2019 £	2018 £
Net movement in funds	89,650	80,005
Depreciation charges	5,763	3,370
(Increase)/Decrease in debtors	86,913	(43,762)
(Decrease)/Increase in creditors	(22,163)	44,173
Investment income	(2,929)	(686)
Net cash used in operating activities	157,234	83,100

10 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	5,884	-	5,884
Net current assets	218,980	135,040	354,020
Net assets	224,864	135,040	359,904

11. Financial commitments

At 31 March 2019 the company had future minimum lease payments under non-cancellable leases as follows:

	2019 £	2018 £
Within one year	26,539	34,319
Over 1 year	48,393	27,785
	74,932	62,104

12. Related party transactions

The trustees of the company are associated with their employing organisations. By definition, these companies are all members of ARC.

These companies are invoiced for any training courses and other services as appropriate by ARC. All these transactions are on normal commercial terms and at arm's length and all members (whether Trustees or not) are treated in the same way.