

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 2018



THE ASSOCIATION FOR REAL CHANGE
TRUSTEES REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

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THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2018

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 & headquarters: | 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 2018

Directors and Trustees:

| | |
|--------------------|---|
| Kate Allen | Autism at Kingwood |
| Chris Bennett | Chair ARC Cymru / Acting Treasurer (appointed March 2018) |
| Gary Bye | Life Path Trust Ltd (Deceased September 2017) |
| Peter Jung | Turning Point Scotland – UK Chair |
| Agnes Lunny OBE | Positive Futures – Chair ARC Northern Ireland |
| Gary Thompson | Individual |
| John Crawford | Yarrow Housing |
| Phil Morris | Havencare (South West) Ltd |
| Graeme Fitzsimmons | Individual |
| Anthea Sully | Individual |

Principal officers and member organisations represented in the year:

| | |
|-----------------------------|---|
| ARC UK Chair: | Peter Jung, Turning Point Scotland |
| Hon Treasurer: | Gary Bye, Life Path Trust Ltd (Deceased September 2017) |
| Acting Hon Treasurer: | Chris Bennett (Acting – appointed March 2018) |
| Chair ARC Cymru: | Chris Bennett |
| Chair ARC Scotland: | Graeme Fitzsimmons |
| Chair ARC Northern Ireland: | Agnes Lunny, Positive Futures |
| Chair ARC England | Kate Allen, Autism at Kingwood |

Senior management team:

| | |
|--------------------|---------------------------|
| Máire Gallagher | Managing Director |
| 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 2018

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 2018 - 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 2018 - CONTINUE

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 £2,293 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 £950.

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.

One of the key challenges which faced the social care sector in 2015 was the introduction of the National Living Wage. This had a significant impact on the sector and ARC continues to work hard to support its members throughout this process.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

Plans for the future

Looking forward to 2018-19 there is cause for cautious optimism that the slight upturn in the economy will lead to an improving Social Care environment after years of spending stagnation. This government, like others before it, has voiced its strong commitment to improving the challenges the NHS faces. It is hard to envisage how this can be achieved without a strong and vibrant Social Care sector. It may be no coincidence that the NHS finds itself under such pressure following years of under investment in Social Care. The solution therefore, may not lie solely at the door of the NHS; the solution may rest with a better resourced, better funded, better integrated Health and Social Care service.

Recruitment and retention of staff remains a challenge across the UK but the effort and ingenuity organisations have put into stemming the tide of leavers and attracting new people into Social Care, are beginning to have a positive effect. These efforts cement the idea of Social Care as a great place to work and the timing for this could not be better. Social Care offers those affected by uncertainty in other fields of employment, and the closure of many High Street brands, an opportunity for a new and vibrant career.

Uncertainty continues to be a feature of the political landscape. The future of the UK after Brexit remains as uncertain as ever and the continued suspension of the Assembly at Stormont has halted any major decisions in Northern Ireland for more than a year.

In these testing times, the engagement, connections and voice that membership organisations like ARC can offer to our sector have never been more valuable. Our teams continue to work tirelessly to improve the lives of people with learning disabilities in each of the countries ARC operates in. For more details of our achievements to date, please take time to review each country's annual review, which is available from the relevant offices.

People who have supported us in 2017/2018

ARC gratefully acknowledges the support of a number of individuals, organisations and charitable trusts that have supported our work in the past year with donations or grants for on-going work in the year. These include:

Aberdeen Council
Belfast Health and Social Care Trust
Department for the Economy
Department of Health Northern Ireland
East Belfast Enterprise
European Social Fund
Independent Living Fund Scotland
Institute for Strategic Dialogue
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 2018 - CONTINUED

Financial Health

After seeing an increase in funds of £50,065 in the previous year (of which £53,367 was an increase in unrestricted funds and £3,302 reduction in restricted funds) ARC experienced an Increase in funds of £80,005 (of which £69,524 was an increase in unrestricted funds and a £10,481 increase in restricted funds) on a total Income down from £1.896m to £1.890m

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 2017/2018 the target for the reserves was calculated at £243k and by March 2018 ARC's total unrestricted reserves stood at £230k.

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 2018 - 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:

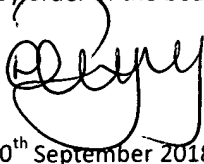
- As far as the trustees are aware, there was no relevant audit information of which the auditors were unaware and
- The trustees have taken all the steps necessary as trustees to make themselves aware of any relevant audit information and to establish that the auditors were aware of that information.

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-appointment of BHP LLP Chartered Accountants, as auditors for the coming year will be proposed at the forthcoming annual general meeting.

By order of the board



20th September 2018

Peter Jung
UK 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 2018 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 2018, 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.

Mr Adrian Staniforth (Senior Statutory Auditor)

Date: 16th October 2018

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 2018

| | <u>Note</u> | Unrestricted Funds £ | Restricted Funds £ | 2018 Total £ | 2017 Total £ |
|---|-------------|----------------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| Charitable activities: | | | | | |
| Membership subscriptions | | 79,973 | - | 79,973 | 92,800 |
| Grants | (5) | - | 963,511 | 963,511 | 1,010,405 |
| Training & conferences | | 569,408 | - | 569,408 | 540,967 |
| Services to members | | 276,547 | - | 276,547 | 250,183 |
| Other trading activities: | | | | | |
| Publications | | 52 | - | 52 | 628 |
| Donations & Gifts | | 50 | - | 50 | 50 |
| Investment income | | 686 | - | 686 | 863 |
| Total income | | <u>926,716</u> | <u>963,511</u> | <u>1,890,227</u> | <u>1,895,896</u> |
| Expenditure | | | | | |
| Charitable activities | | | | | |
| Special projects | (5) | - | 953,030 | 953,030 | 1,013,707 |
| Training and conferences | | 384,968 | - | 384,968 | 376,416 |
| Services to members | | 472,224 | - | 472,224 | 455,708 |
| Total expenditure | (3) | <u>857,192</u> | <u>953,030</u> | <u>1,810,222</u> | <u>1,845,831</u> |
| Net incoming/(outgoing) resources for the year | | 69,524 | 10,481 | 80,005 | 50,065 |
| Balances brought forward at 1 April 2017 | | <u>160,322</u> | <u>29,927</u> | <u>190,249</u> | <u>140,184</u> |
| Balances carried forward at 31 March 2018 | (10) | <u>229,846</u> | <u>40,408</u> | <u>270,254</u> | <u>190,249</u> |

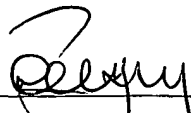
THE ASSOCIATION FOR REAL CHANGE

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | 2018 £ | 2017 £ |
|---|-------------|----------------|----------------|
| Fixed assets | | | |
| Tangible fixed assets | (7) | 4,184 | 4,824 |
| Current assets | | | |
| Trade debtors | | 151,200 | 126,745 |
| Prepayments and accrued income | | 82,717 | 63,410 |
| Cash at bank and in hand | | 538,827 | 457,771 |
| | | <u>772,744</u> | <u>647,926</u> |
| Creditors: amounts falling due within one year | | | |
| Taxation and social security costs | | 14,378 | 14,824 |
| Trade Creditors | | 91,321 | 95,705 |
| Other creditors | | 34,025 | 52,785 |
| Accruals | | 17,602 | 18,281 |
| Deferred income | (8) | 349,348 | 280,906 |
| | | <u>506,674</u> | <u>462,501</u> |
| Net current assets | | <u>266,070</u> | <u>185,425</u> |
| Total assets less current liabilities | | <u>270,254</u> | <u>190,249</u> |
| Funds | | | |
| Restricted funds | (5) | 40,408 | 29,927 |
| Unrestricted funds | (10) | 229,846 | 160,322 |
| Total funds | (10) | <u>270,254</u> | <u>190,249</u> |

Approved by the board on 20th September 2018 and signed on their behalf by:


 Peter Jung – UK Chair

The notes on pages 18 to 25 form part of these financial statements.

Company Registration Number 01658354

THE ASSOCIATION FOR REAL CHANGE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

| | <u>Note</u> | 2018 £ | 2017 £ |
|---|-------------|----------------|----------------|
| Cash used in operating activities | (9) | <u>83,100</u> | <u>71,593</u> |
| Cash flows from investing activities | | | |
| Interest received | | 686 | 863 |
| Purchase of tangible fixed assets | | <u>(2,730)</u> | <u>(7,099)</u> |
| Cash provided by (used in) investing activities | | <u>(2,044)</u> | <u>(6,236)</u> |
| Increase in cash and cash equivalents in the year | | 81,056 | 65,357 |
| Cash and cash equivalents at the beginning of the year | | <u>457,771</u> | <u>392,414</u> |
| Cash and cash equivalents at the end of the year | | <u>538,827</u> | <u>457,771</u> |

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

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 2018 - 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 |
|------------------|---------------------|

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 2018 - 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 | 2018 | 2017 |
| | £ | £ |
| Depreciation | 3,370 | 3,944 |
| Auditors remuneration | 7,546 | 7,200 |
| Operating leases | 37,581 | 39,308 |

Income from unrestricted funds totalled £926,716 (2017: £885,491), and from restricted funds totalled £963,511 (2017: £1,010,405)

3. Total expenditure

| | | |
|-------------------|-----------|-----------|
| | 2018 | 2017 |
| | £ | £ |
| Direct costs | 1,752,636 | 1,757,423 |
| Support costs | 57,586 | 88,408 |
| Total expenditure | 1,810,222 | 1,845,831 |

Expenditure of unrestricted funds totalled £857,192 (2017: £832,124), and of restricted funds totalled £953,030 (2017: £1,013,707)

The support costs are allocated to activities below:

| | | | |
|--------------|------------------------|--------------------|------------|
| | Training & conferences | Service to members | Total 2018 |
| | £ | £ | £ |
| Finance & IT | 12,245 | 15,021 | 27,266 |
| Secretarial | 5,734 | 7,034 | 12,768 |
| Management | 7,883 | 9,669 | 17,552 |
| | 25,862 | 31,724 | 57,586 |

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 - 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 01/04/2017 £ | C/forward 31/03/2018 £ |
|--------------------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Workforce Development Funding | 378,255 | 378,255 | - | - |
| Progress Scotland – Aberdeen | 10,667 | 10,667 | - | - |
| NI – Tilii (Belfast) | 30,416 | 30,416 | - | - |
| NI – Tilii (South) | 23,000 | 23,000 | - | - |
| Optio | 89,298 | 93,453 | 4,155 | - |
| Get SMART | - | 450 | - | (450) |
| Charter | 105,519 | 105,519 | - | - |
| N Ireland DoH | 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 expenditure against the Get SMART and WRSAC projects 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 2018 - CONTINUED

5. Restricted funds (Continued) – Prior year

| | Resources Incoming £ | Resources Outgoing £ | B/forward 01/04/2016 £ | C/forward 31/03/2017 £ |
|--------------------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Skills for Care W.D.F | 403,740 | 403,740 | - | - |
| Progress Scotland – Aberdeen | 10,561 | 10,711 | 150 | - |
| NI – Tili (Belfast) | 21,356 | 21,356 | - | - |
| NI – Tili (South) | 23,000 | 23,000 | - | - |
| Optio | 87,359 | 87,209 | 4,005 | 4,155 |
| Helping Each Other | - | 455 | 455 | - |
| Charter | 115,063 | 115,065 | 2 | - |
| Awards for All – Criminal Justice | - | 549 | 549 | - |
| Self Directed Support (2) | 72,240 | 72,442 | 202 | - |
| PHA Project | - | 8284 | 8284 | - |
| Charter Talking Mats | 25,000 | 16,083 | 593 | 9,510 |
| Transitions | 65,405 | 64,777 | 2,270 | 2,898 |
| Progress Scotland | 57,751 | 53,988 | - | - |
| Transitions (Autism) | 26,919 | 32,384 | 5,996 | 531 |
| SOLD | 102,011 | 103,664 | 6,304 | 4,651 |
| Total – Charitable Activities | | | | |
| Restricted funds | 1,010,405 | 1,013,707 | 33,229 | 29,927 |

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 supports three self advocacy groups in community settings across Belfast.

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

ARC NI is supports 3 groups of men and women with a learning disability to run training sessions for staff.

OPTIO (Funded by the DfE, NIEFP and The Belfast and Western Healthcare Trusts)

A Three-year project, completed in March 18 having engaged a total of 92 people with a learning disability across 8 groups. Each group of participants engaged in a six month programme of training sessions and weekly workshops exploring enterprise, culminating in a one day pop-up enterprise as designed by the participants. Whilst 15 participants(16%) left the project early, the remaining 77 completed both Stage 1 and 2 (84% retention rate) and each of the 8 social pop-up enterprises that were developed achieved profit, totalling £1,335.63. A total of 33 participants achieved unit(s) at OCN Level 1 and 28 participants achieved unit(s) at OCN Entry Level, with 22 participants receiving a non-accredited certificate.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

5. Restricted funds (Continued)

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

This project will help to keep vulnerable people safe from grooming via social media, in to extremism.

Charter

To update and promote the Charter for Involvement.

Northern Ireland DoH (Funded by The Office of Social Service within the Department of Health NI)

This project enabled four social care staff who work in disability services to achieve a Level 3 Diploma in Health & Social Care, free of charge. ARC NI delivered monthly sessions to cover a combination of mandatory units alongside a range of optional units and observational assessments in the workplace were undertaken.

Self Directed Support Project (2) (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.

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.

PHA (Funded by The Public Health Agency)

This project's funds were for promoting and advancing Personal & Public Involvement (PPI). This funding enabled TILII members to attend two 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.

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.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

5. Restricted funds Continued

ILF (Funded by the Scottish Government)

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

Charter (Talking Mats) (Funded by the Scottish Government)

This project supported members of the National Involvement Network to make the Charter for Involvement more accessible for people with communication difficulties. This involved producing a short animated film, development and piloting a talking mats framework for the Charter.

Transitions (Funded by the Scottish Government)

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.

Progress Scotland (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.

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

| | 2018 | 2017 |
|----------------------|----------------|----------------|
| | £ | £ |
| Staff costs: | | |
| Wages & salaries | 625,178 | 632,178 |
| Pension costs | 30,898 | 30,569 |
| Social security cost | 56,215 | 56,825 |
| Totals | <u>712,291</u> | <u>719,572</u> |

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 - 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 | 13 | 14 |
| Support Services | 9 | 9 |
| Average number of employees | 22 | 23 |

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 £2,293 (2017: £1,192).

Staff pension contributions unpaid at the year end were £227 (2017: £225).

There are no staff with emoluments in excess of £60,000 (2017: None).

The total amount of employee benefits received by key management personnel is £186,811 (2017: £185,389). 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 2017 | 25,190 |
| Additions during the year | 2,730 |
| Disposals during the year | (1,125) |
| Balance at 31 March 2018 | 26,795 |
| Depreciation | |
| Balance as at 1 April 2017 | 20,366 |
| Disposals during year | (1,125) |
| Charge for the year | 3,370 |
| Balance as at 31 March 2018 | 22,611 |
| Net book value 31 March 2018 | 4,184 |
| Net book value 31 March 2017 | 4,824 |

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 - CONTINUED

8. Deferred income

| Course and Conference fees | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Received in advance at the beginning of the year | 280,906 | 262,340 |
| Total fees received in the year | 637,850 | 559,643 |
| Statement of financial activities | (569,408) | (541,077) |
| Received in advance at the end of the year | 349,348 | 280,906 |

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

| | 2018 £ | 2017 £ |
|---------------------------------------|-----------|-----------|
| Net movement in funds | 80,005 | 50,065 |
| Depreciation charges | 3,370 | 3,944 |
| (Increase)/Decrease in debtors | (43,762) | (25,355) |
| (Decrease)/Increase in creditors | 44,173 | 43,802 |
| Investment income | (686) | (863) |
| Net cash used in operating activities | 83,100 | 71,593 |

10 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|-----------------------|-------------------|-----------------|------------|
| Tangible fixed assets | 4,184 | - | 4,184 |
| Net current assets | 225,662 | 40,408 | 266,070 |
| Net assets | 229,846 | 40,408 | 270,254 |

11. Financial commitments

At 31 March 2018 the company had future minimum lease payments under non-cancellable leases as follows:

| | 2018 £ | 2017 £ |
|-----------------|-----------|-----------|
| Within one year | 34,319 | 32,865 |
| Over 1 year | 27,785 | 42,163 |
| | 62,104 | 75,028 |

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.