

**MacIntyre Care**  
**Report and**  
**Financial Statements**

**YEAR ENDED 31 MARCH 2017**

**Registered Charity 250840**

**Company Registration Number**  
**894054**  
**(England and Wales)**

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## LEGAL & ADMINISTRATIVE DETAILS

### TRUSTEES

John Berriman (Chairman)  
Denise Cockrem (resigned 31 March 2017)  
Johnny Goedhuis (resigned 1 December 2016)  
Adam Goldstein (appointed 1 February 2017)  
Rosemary Hart  
Dr Dragana Josifova (appointed 1 May 2016)  
Neil Macmillan  
Pam Meek (appointed 1 February 2017)  
Sophie Purdy (resigned 1 December 2016)  
Nikki Williams-Ellis MBE (formerly Shale)  
Ruth Smyth (appointed 1 June 2016)  
Duncan Strachan  
Rachel Taylor (appointed 1 April 2016)  
Martin Zahra

### COMMITTEES IN 2016/17

#### Audit, Risk & Safeguarding

Rosemary Hart \* (chair from 1 January 2017)  
Neil Macmillan (chair and member until 1 January 2017)  
Rachel Taylor (member from 1 September 2016)  
Martin Zahra

#### Education (established 1 January 2017)

Adam Goldstein (member from 1 February 2017)  
Dragana Josifova  
Neil Macmillan \*  
Pam Meek

#### Governance Review

John Berriman  
Rosemary Hart \*  
Martin Zahra

#### Nominations

John Berriman \*  
Johnny Goedhuis (chair and member until 1 December 2016)  
Rosemary Hart

#### Property

Denise Cockrem (member until 31 August 2016)  
Rosemary Hart  
Nikki Williams-Ellis\*

#### Remuneration & Wellbeing

Denise Cockrem (member until 31 March 2017)  
Johnny Goedhuis (chair and member until 1 December 2016)  
Nikki Williams-Ellis (member from 16 February 2017)  
Ruth Smyth (member from 1 September 2016)  
Duncan Strachan \*(chair from 1 December 2016)

\* denotes committee chairs

**SENIOR MANAGEMENT AND COMPANY SECRETARY**

**Sarah Burslem**

Chief Executive

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Finance Director and Company Secretary

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**Helen Bass**

Workforce Director

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**Sumerjit Ram**

Children and Young People Director

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**Emma Killick**

Adult Services Director

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**Natalie MacPherson**

Development Director

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**PRINCIPAL AND REGISTERED OFFICE**

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Company Registration No: 00894054 (England and Wales)

Registered Charity No: 250840

**ADVISORS TO THE CHARITY**

**AUDITORS**

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD

**BANKERS**

HSBC Bank plc, Level 6, Metropolitan House, CBX3, 321 Avebury Boulevard Milton Keynes, MK9 2GA

**SOLICITORS**

Blake Morgan, Seacourt Tower, West Way, Oxford, OX2 0FB

## **CHAIRMAN'S REPORT**

### **Introduction - a carefully managed charity**

MacIntyre is a sector-leading national charity providing learning, support, education and care to 1,150 children, young people and adults with learning disabilities, complex needs and autism, and their families across England and Wales. 2016 was our Golden Jubilee year and we held a wide variety of celebratory activities, both nationally and locally, close to our services. We are most grateful to all those who were so generous in supporting us, this year and in previous years, both financially and with their time.

The MacIntyre group had total incoming resources of £47.8m in 2017 (£45.6m in 2016) on which it generated a net income in the year of £2.7m (£670k in 2016). Very generous donations and legacies generated £2.5m (2016 £1.1m) of the overall surplus. The core operating activities of the group - which continue to operate on incredibly fine margins, returned a small surplus in the year of £0.2m. In the previous year the group incurred a loss on core operating activities of £0.4m and further book loss of £1.2m on the sale of the former school property in Womaston, Wales.

MacIntyre's balance sheet remains strong with total funds of £21.6m (£18.9m in 2016). The increase in the level of our funds is partly due to the most generous donations that were made in both the current and previous years from the estate of a parent of a lady whom we have supported over several decades. These donations mean that we now have a strong base of funds that can be used to develop MacIntyre further.

Our Chief Executive, Sarah Burslem, writes below about the severity of the challenges facing disabled people and their families in the UK today and the critical position facing the funding of the social care sector nationally. Against this very difficult background our main financial challenges continue to be to minimise agency costs and empty place costs and negotiate fair and reasonable cost increases from commissioning bodies. This remains an ongoing challenge as more costs fall on the care sector as a result of the evolution of workplace and pay legislation. We operate on incredibly tight margins and so small adverse cost variances have a disproportionately negative impact on our results.

We continue to benchmark our cost profile against others in our sector, as a means of ensuring that we remain competitive and efficient. Our central administrative costs, expressed as a percentage of our turnover, stand at a healthy 6% (6% in 2016) and remain in the best quartile compared to the charitable sector as a whole. We remain a robust and secure charity with a strong balance sheet and a cost conscious mentality embedded firmly alongside our desire to provide the best possible support and care for the wide variety of people whom we support.

### **A skilled Trustee and Management team**

We are fortunate in MacIntyre to have a strong and highly skilled Director and Trustee team who work well together and dovetail very effectively. This is very helpful for the day to day running of MacIntyre and essential in times of adversity or challenge.

**Trustees** - we have continued to refresh the composition of the Board and increase the breadth of our collective skills. We presently have a well-balanced Board comprising 11 Trustees. Three Trustees stepped down in the year and we made five new Trustee appointments. These appointments include Rachel Taylor, Dr Dragana Josifova and Ruth Smyth, on whom I reported in last year's Chairman's report, and more recently Pam Meek and Adam Goldstein, who both bring deep Education expertise. Pam Meek is the Head Teacher of a four-form entry school in Hampshire, where she has also been a governor and Deputy Head Teacher. Her brother has been supported by MacIntyre in Milton Keynes for 20 years. Adam Goldstein is the Executive Director of Operations at a large multi academy trust and was previously an independent director of MacIntyre Academies.

The retiring trustees have individually and collectively made a great impact on MacIntyre. Denise Cockrem and Sophie Purdy provided invaluable advice at the Board on their respective specialist areas of finance and project management, as well as more broadly, including with their wisdom at the remuneration & wellbeing committee. We are delighted that they have both indicated a strong desire to retain their close links with MacIntyre and Denise Cockrem has since been appointed an independent member of MacIntyre Academies Trust.

## CHAIRMAN'S REPORT

I wish to make special mention of Johnny Goedhuis, who made an extraordinary contribution to MacIntyre during his 19-year tenure as a Trustee. He chaired the remuneration & wellbeing committee and provided his wise counsel on a wide variety of Board matters and to the nominations committee on new Trustee and Director appointments. He helped MacIntyre raise significant funds, through the Wine Dinners that he hosted and from various trusts and foundations. Johnny is passionate about MacIntyre and we are delighted that he is continuing his involvement with us, acting as an Education ambassador of both MacIntyre and MacIntyre Academies.

All our Trustees continue to give very generously of their time, both to Board and committee meetings and to advising me and management on a variety of important matters. We have an excellent blend of Trustee capabilities in MacIntyre which include legal, financial, risk management, property, sales & marketing, Education, HR, genetics and general management skills. I am very grateful to each of my fellow Trustees for their support and contribution.

Presently five of our Trustees, myself included, have relatives who are supported by MacIntyre. Those close family links with MacIntyre have been an ever-present feature in our development. It means that any individual (or commissioner of service) that entrusts a loved one to us can rest assured that Trustees are fully vested personally and connected intimately to our services. We believe this marks us out and is an essential part of our governance DNA.

**Management** - MacIntyre is in the capable and experienced hands of our Chief Executive (CEO), Sarah Burslem and her Director team. Claire Toombs is our Director of Finance and has a key remit across Corporate Services, including acting as the Company Secretary of both MacIntyre Care and MacIntyre Academies. Emma Killick leads our single largest area of Adult Services, Natalie MacPherson is responsible for helping drive growth, with responsibility for Business Development, marketing and fundraising across MacIntyre and Helen Bass is our Workforce Director, with a crucial People remit.

Sam (Sumerjit) Ram was appointed as Director of Children and Young People services in October 2016, taking over from Anne-Marie Dawe. Anne-Marie worked for MacIntyre for nearly 14 years, and her experience prior to leading Children and Young People services included acting as the Principal of MacIntyre School, Wingrave. Sam brings to MacIntyre a wealth of experience from the NSPCC, Action for Children and most recently as CEO of Faith in Families, an East Midlands based charity delivering a broad range of services to schools, the wider community, and to children and their families. She has assumed responsibility for all education, children and young person services and is working with the senior leadership teams of both MacIntyre and MacIntyre Academies to deliver collaborative working protocols and to create enhanced opportunities for cross organisation working and learning.

Brenda Mullen stepped down as the CEO of MacIntyre Academies at the end of January 2017, having spent four years establishing the multi academy trust and building its foundations. Brenda spent 16 years with MacIntyre and she led the development of Education services within the group. Sam Ram has executive responsibility for MacIntyre Academies as part of her overall Education portfolio.

**Developing our national profile** - our Directors continue to be involved in a range of complementary external activities and Trustees encourage this approach. Many of our Directors are involved in the Voluntary Organisations Disability Group (VODG) and Sarah Burslem is involved in a number of forum activities involving charity leaders, including the British Institute for Learning Disabilities (BILD). We see these external roles as an important opportunity for sharing, learning and establishing MacIntyre more widely in the minds of those who we work with and to support the wider disability sector.

**Ways of working** - I aim to create an environment that enables strong and effective teamwork between Trustees and Directors. We undertake most of our Trustee business in full bi-monthly Board meetings. Directors present at each Trustee meeting about their specific area of responsibility. Annually, the full Director team meet with Trustees to debate collectively MacIntyre's long term strategy and at the half year the Director team take Trustees through the detail of MacIntyre's operational performance.

## **CHAIRMAN'S REPORT**

Important review responsibilities are delegated to Board committees, so that Trustees can better support management and also examine important issues in greater depth. There is an open invitation to any Trustee to attend and contribute to each Board committee. The Chief Executive or her designate attends each committee meeting, unless the committee chair agrees otherwise. The minutes of all committee meetings are made available to all Trustees and the committee activities are formally reported back to the main Trustee Board by the committee chairs, supported by the relevant MacIntyre Director, so all Trustees can probe and understand the committees' decisions and actions.

During the year an Education committee was established and since the year end the governance review committee has completed its work. Further commentary on the activities of each committee in the year is provided below.

### **Ensuring that our governance is in good order**

In MacIntyre we have always placed a premium on good governance and ensuring that we manage our affairs effectively and appropriately. I reported last year that we had commissioned an independent governance review in 2015/2016 and that the review report we received had been thought-provoking and helpful. That report concluded that MacIntyre has instituted appropriate and largely effective governance systems, processes and procedures for a charitable organisation of our size, scale and complexity. The review report commented in particular on the strength and openness of the working relationships between Trustees and Directors and amongst the respective teams. This is a major contributory factor to ensuring the quality of our governance.

The governance review committee met under Rosemary Hart's chairmanship to develop an action plan for addressing issues for change and improvement. We have since implemented a series of recommendations including: establishing the education committee of the Board; improving the levels of evidence of our decisions and actions; assessing more deeply the impact and outcomes of the systems and processes that we have instituted; providing more Trustee training and induction; and developing further our Key Performance Indicators.

### **Developing and overseeing our Education services**

In recent years we have placed a focus on developing academy provision, fully integrated within a local authority's special educational needs plan, and in line with the government's evolving education policy. Our schools' academy activities are run in a separate charity, MacIntyre Academies, as is required by Department for Education regulations. Summary reports on MacIntyre Academies progress are taken at MacIntyre Trustee Board meetings.

We have been operating Academies in Oxfordshire and Nuneaton and in September 2017 we have opened a further Academy in Rugby. We aspire for our Academies to espouse and promulgate the MacIntyre philosophy of care and education for children with special learning needs.

MacIntyre Care, as sponsor, is itself a corporate member of MacIntyre Academies and is represented by our CEO, Sarah Burslem. This corporate member role was previously undertaken by Claire Toombs, who is the Company Secretary of both MacIntyre and MacIntyre Academies. Sarah Burslem joined the Board of MacIntyre Academies on 4 January 2017. MacIntyre Care's Director of Children and Young People services, Sam Ram, has management oversight of MacIntyre Academies' activities from the perspective of MacIntyre Care. The oversight responsibilities include ensuring that there is maximum cross-over of learning between the two charities insofar as education is concerned, both operationally and from a governance perspective.

The MacIntyre Academies Directors include: Neil Macmillan (who is the chair of MacIntyre Academies) and Martin Zahra, who are the two nominated MacIntyre Care representatives. Additionally, there are three independent directors: Shaun Temple Brown, who is a corporate governance, risk and assurance expert; Charlotte May, who is a former deputy Head Teacher and Anthony Greenwood appointed on 6 June 2017 who has a wealth of both commercial and public sector experience as well as being a board member for a West Midlands Academy. Charlotte May was appointed on 1 February 2017 and has over 20 years' experience of the publicly funded education and care sectors and has

## **CHAIRMAN'S REPORT**

developed a deep expertise in education and care leadership, management, operational and governance matters, including lecturing and teaching, as well as the provision of pre-school Portage services and supporting children with special education needs and their parents. Adam Goldstein, a founding independent director, stepped down on 1 February 2017 from the Board of MacIntyre Academies. He was subsequently appointed as a Trustee of MacIntyre Care and a member of the education committee.

We continue to provide education services in MacIntyre Care at our independent special needs school in Wingrave, Buckinghamshire. Our school looks after 30 students and has some 200 staff. The school is run by Principal, Fiona Veitch, who reports to our Director of Children and Young People services. A separate School Local Advisory Board meets quarterly and is responsible inter alia for ensuring the good governance of the school, including supporting the Principal, scrutinising student progress, monitoring the school's finances and the achievement, quality of teaching and behaviours and safety in the school. The terms of reference mirror the governance terms adopted by MacIntyre Academies as part of its governance arrangements. The Advisory Board is open to any Trustee to attend.

Following our governance review we established an education committee in January 2017 under Neil Macmillan's leadership. The role of the committee is to oversee the strategic development of education services across both MacIntyre and MacIntyre Academies. The committee met twice in the year. It includes MacIntyre Trustees with a special education interest, and is attended by the Director of Children and Young People services. School Principals attend according to the relevance of the agenda and Johnny Goedhuis, former Trustee, has a standing invitation to attend committee meetings as an education ambassador to MacIntyre.

### **Recruiting, retaining, rewarding and developing our people**

Our nominations committee, which I chair, was involved in assisting with the recruitment, selection and appointment of Sam Ram as the Children and Young People Director. The nominations committee also oversaw the recruitment of the five new Trustees who joined us during the financial year. The comprehensive familiarisation and appointment process included each potential new Trustee meeting the chairman and a minimum of two other Trustees individually and also visiting MacIntyre School, Wingrave and MacIntyre Central Office in Milton Keynes, where the potential new Trustees met at a minimum both school management and the Chief Executive.

Once the new Trustees had joined MacIntyre they attended an induction day in Milton Keynes at which they received briefings from the chairman, CEO and members of the director team and her senior management. The induction included an explanation of the governance roles and responsibilities of MacIntyre Trustees. This included a review and discussion of the guidance provided by the Charity Commission for England and Wales "The essential trustee: what you need to know".

Our staff are our lifeblood. They interact positively with the people we support each and every day and make sure that MacIntyre's commitments to each of them are brought to life and really lived. Our remuneration & wellbeing committee reviews Director reward, staff reward levels and other workforce related matters. It is chaired by Duncan Strachan who assumed the chair from Johnny Goedhuis on 1 December 2016.

The committee met once in the year taking a report from the Workforce Director and reviewing the 2016/17 workforce strategy including the pay and reward proposals. Trustees were briefed regularly at the full Board as well as committee meetings on the focus on recruitment, retention and staff engagement in particular. It is essential that we continue to focus relentlessly on reducing the level of staff vacancies in order to reduce the use of agency staff and maintain high quality service levels.

The committee oversaw the implementation of some important changes to staff contractual terms and conditions regarding sickness payments. In addition the committee has been kept informed of the sector issues regarding sleep-in pay and the national living wage. MacIntyre continues to be involved in the work with sector representative organisations and government departments to address this complex issue.

## **CHAIRMAN'S REPORT**

The committee recognises that a motivated and capable workforce is essential for maintaining the high quality of service provision we aspire to provide and are keen to ensure that the remuneration of all employees is competitive and fair within the current financial constraints that the sector faces. Remuneration will continue to be a high priority for MacIntyre and will continue to be reviewed regularly at Board and committee meetings.

### **Ensuring that our properties are fit for purpose**

Our property committee, which reviews major property moves, new builds and major refurbishments, is chaired by Nikki Williams-Ellis and met twice in the year. The committee took reports from the Finance Director and focussed its attention in particular on the refurbishment of a new learning centre in Oxfordshire, the relocation of the learning centre and regional offices in Warrington, ongoing refurbishment work at Wingrave School and the redevelopment of the learning hubs in Chesterfield.

### **Protecting our business and those whom we support**

We continue to monitor our finances with particular vigilance in the context of the tough financial environment, with more costs falling on the care sector as a result of the evolution of workplace and pay legislation, and the budgetary pressures experienced by local authorities. Our audit, risk & safeguarding committee reviews finance, audit, risk, safeguarding, health & safety and compliance matters. It is chaired by Rosemary Hart who assumed the chair from Neil Macmillan on 1 January 2017.

In terms of the finances of MacIntyre, each year the committee reviews MacIntyre's financial systems, controls, risk management and risk registers, including key risks, financial results and balance sheet. It also reviews MacIntyre's budgets, cost management (including agency costs and empty place costs), cash management and forecasts, its policy for investment of surplus funds and its reserves policy.

Safeguarding is specifically monitored alongside other risks, as part of the committee's regular business agenda. The wellbeing of the children and adults at MacIntyre has always been and always will be our top priority and the Trustees and management take great care to fully assure themselves of our practice standards and to assure others as well. It is crucial that our people know how to act properly and do so at all times and that organisationally we respond quickly, effectively, professionally and with transparency when any issues arise.

The committee met three times during the year and received reports in respect of the annual statutory audit report from our external auditors, Kingston Smith, from the Compliance Manager, which included the results from Ofsted and the Care Quality Commission's audits of our services, and from the Health & Safety Manager, which included the results of external audits undertaken by BSI. The committee also reviewed the corporate health and safety objectives and MacIntyre's risk register. In addition, our nominated safeguarding officer presented the safeguarding annual report to the committee and the Whistleblowing Policy was also subject to annual review.

### **Outlook for the next year**

Our Golden Jubilee provided a wonderful opportunity for reflection and to celebrate past successes. Our enduring focus however continues to be on the next stage of our development. For 2017 this means implementing fully our corporate strategy, encompassing the excellence of our service provision and the behaviours expected of all our people.

## CHAIRMAN'S REPORT

We will continue to focus on innovating in service delivery, working collaboratively with our funders and commissioners in a transparent way; and investing in the skills of our people. These are all critical to our future success. And as usual we will be tough on discretionary spend, vigilant on cost, firm on fee negotiations and effective in our day to day management. These have been hallmarks of the way we have worked for years.

We propose to use our designated funds: to invest in specialist expertise to ensure we deliver excellence in everything we do and to ensure we are able to differentiate in the market; to invest in our family partnerships to ensure families are well supported and that the family voice is present in shaping our future; and to broaden our scope to include greater emphasis on informal support and community connections, enhancing the offer to people we currently support and to provide some support to people who are in danger of falling through the national service gap.

As we explain in note 19 to these accounts, we have a contingent liability that we are presently unable to quantify financially with accuracy, relating to potential back payment of historic amounts due to certain employees who undertook sleep-in shifts. The legislation and its interpretation is complex and historic government guidance has been unclear. The issue is one that affects the whole sector and we are working with government, the social care wider sector and our various commissioners to understand and address the implications for MacIntyre and our staff who were potentially affected. Depending on how the matter is resolved, the impact on our business could be significant. We expect to be in a position to report more fully on this matter in our 2018 report and financial statements.

We will continue to work closely with our local commissioners, VODG, other umbrella organisations and the regulators and in particular to make the case for government investment in the social care sector. We believe that this is essential so that we and other providers of services for disabled children, adults and their families can provide the care and education services that are needed and to ensure that these services are of the very best quality. This is more important than ever, as the social care sector is widely seen to be facing a crisis of funding. An adverse outcome on sleep-in payments will exacerbate this crisis. There are additionally major concerns over the ability of the sector to recruit the levels of care staff that will be needed to meet the rising demand for education and care in the coming years. So the future is more uncertain for disabled people and for our sector as a whole than ever before.

The quality of our services and our standards are of course wholly dependent upon our staff. They make the real difference to the day to day lives of the young people and adults who use our services. Our staff interact with commitment and positivity in providing their support each and every day and make sure that MacIntyre's commitments are brought to life and really lived. On behalf of the Trustees I would like to thank everyone associated with MacIntyre for continuing to provide the environment in which our charity can flourish. I speak for all the Trustees when I thank all of our people for yet another year of incredibly hard work and commitment to MacIntyre.



**John Berriman**  
**Chair of MacIntyre**

21 October 2017

## CHIEF EXECUTIVE'S REPORT

### Introduction

I am delighted to present my annual report on our 2016/2017 financial year. 2016 was our Jubilee year so it was timely that we launched our organisational strategy, *Proud of our Past and Ambitious for our Future*, at the start of that year. We are indeed proud of all that has been achieved by and for the many children, adults and their families connected to MacIntyre, past and present. We are also proud of our strong value base and of everyone's focus and time on making sure that all interactions are *Great Interactions* and that the education and support we provide across our schools and adult services is the very best it can be.

It is important in the current climate that we work together across organisational divisions and across external boundaries to ensure that the rights of disabled people and their families are central to legislative, policy and practice decisions and that together we continue to develop new and innovative ways of meeting the needs and aspirations of disabled children, their families and adults.

### Our strategy

It is a challenging time for disabled people, their families and for all involved in the education and social care sectors, as the austerity agenda continues and as the plans for Brexit unfold. The overall context is one of increasing demand and cost against a trend of shrinking resources. More specifically, the issue of social care funding has reached a critical point nationally, as has the ability to recruit to sector-wide schools and social care workforce vacancies.

We have weathered this storm well so far through open and solution-focused relationships with the more than 70 Local Authorities and Clinical Commissioning Groups who contract with us, through creative and robust management of our cost base and through our ability to extend our reach and secure new contracts. We continue to ensure that our core contractual funding from Local Authorities, Clinical Commissioning Groups, the Department of Education and our Charitable Funds are allocated efficiently and creatively.

We have worked assiduously to keep our management and support costs to the same level as last year, while retaining our percentage spend on workforce learning and development, 3% (2016/2017) 3% (2015/2016) and increasing spend levels on front line service provision 90% (2016/2017) 88% 2015/2016) and in those areas that really add value.

As a charity we believe that we have a role to ensure that everything we do makes a difference to the lives of people we support, their families and the wider communities where we have a presence. The responsible investment of charitable funds enables us to differentiate what we do, enhance outcomes for people and to help us to transform what we do and maximise our impact.

We are pleased with the growth achievements this year, with additional students joining us in our schools and *No Limits* and with increased numbers of people being supported across our adult social care services.

We are using our strategy dynamically and through regular reviews we ensure that it reflects more fluidly the views and wishes of the children and adults we support and their families. Following a thorough analysis of the needs of children with SEND and of disabled adults living in inappropriate settings, such as assessment and treatment units, we have reconfirmed our commitment to growth and have continued to invest in our business development team, £120k 2016/2017 (£80k 2015/2016) . Our commitment to quality and more specifically to ensuring that we have excellent knowledge and skill in specific practice areas has been enhanced as we begin to see the impact of our investment of charitable funds in our Positive Behaviour Support work (PBS) and as the work of our Dementia experts, funded by the Department of Health innovation grant (£400k over three years), reaches more people and organisations.

## CHIEF EXECUTIVE'S REPORT

We have developed a partnership with Community Catalysts, a social enterprise and community interest company, to deliver our *Great Communities* project. We are excited by the potential that this project has to enable people currently connected to MacIntyre to use their gifts and talents in meaningful ways, to work at the heart of local communities to ensure they become better places for disabled people, and to provide advice, support and opportunity for disabled people who are not eligible for statutory funding.

It is our intention to invest additional charitable funds in all these areas over the next three years, we will extend our focus on health through match funding to the same level as our Department of Health grant (£400k). Using our charitable funds in this way will enable us to reach more people with Dementia and their families and to address early diagnosis and treatment for disabled people in other areas of health inequality. The Great Communities project will be commissioned in three new geographical areas (£300k) and we will continue to induct and mentor our network of 50 PBS coaches through investment in lead coaches and BILD accreditation (£100k).

### Governance Support

MacIntyre continues to be governed by a strong and diverse group of Trustees, as does our sister charity, MacIntyre Academies. All the Trustees give generously of their time at main board meetings, at sub committees and advisory groups. The time given and the commitment, skills and knowledge of the Trustees is invaluable for management to draw on. MacIntyre remains relatively unusual as an organisation in terms of the diversity of what we do and by nature of the fact that we support both children and adults in a range of education and social care settings. New Trustee appointments this year, described in the Chairman's report, have brought significant additional strength in support of this diversity and in particular for helping us in our growing schools provision.

### Our Schools

MacIntyre provides primary and secondary education and residential care to 30 students at MacIntyre School, Wingrave, our independent special school in Buckinghamshire. MacIntyre Academies provides education and some respite care to 26 students at the Endeavour Academy in Oxfordshire. Discovery Academy opened in 2015 and this year provided education for 60 children in Nuneaton. We have expanded our local provision in Warwickshire and Quest, our new free school in Rugby, opened its doors to 30 children in September 2017. We have planned with Warwickshire Council for Discovery Academy and Quest free school to teach increasing numbers of children over the coming years.

Our commitment to achieving outstanding educational outcomes for students at each school has been strengthened this year by a much closer working relationship between MacIntyre and MacIntyre Academies. One important element of the closer working has been the role played by the education committee of the Board which monitors the legislative and regulatory framework and oversees the strategic development of our total education offer. Following inspections in the summer term of 2017, we were delighted that both Wingrave and Endeavour Academy were rated by OFSTED as *Good*, both for the education and care provisions.

Each school has a skilled Local Advisory Board (LAB) which meets each term and acts as a local governing body, with delegated responsibilities from the Board. In addition to providing further scrutiny and challenge to each school, they provide a rich source of support to the main governing boards.

### Further Education

MacIntyre has partnership agreements with eleven colleges across the country, delivering further education to 160 students who have found it difficult to excel in the mainstream college environment. Through these agreements our *No Limits* provision develops and provides bespoke and alternative curriculums, delivered in community settings to young students with autism and complex learning needs. The learning programmes are centred on independent living and career development, supporting young people, who may otherwise need to move some distance away, to stay within the family home and within familiar neighbourhoods.

## CHIEF EXECUTIVE'S REPORT

We are in the final stages of becoming an exam centre with AQA (Assessment and Qualification Alliance) enabling us to offer a wider range of accredited qualifications to students, including GCSEs. We are excited about the prospect of widening this *No Limits* alternative curriculum offer to students of school age and we are already working with schools in Bedfordshire, Hertfordshire and Milton Keynes.

### Adult Social Care

The number of adults receiving social care support from MacIntyre has increased this year as we have seen our provision grow in Hampshire, Wigan and Wrexham. We support 278 people within a Registered Care model of support, 436 people within their own homes and 384 who connect with us in a recreational or enterprising setting. Our compliance position has improved this year with 98% (2016 93%) of our Care Quality Commission (CQC) assessed provision being rated as *Good*. Our services in Wales have also been rated as *Good* by the Care and Social Services Inspectorate Wales (CSSIW), the regulator in Wales.

The contract environment for adult social care remains procurement-led and we have increased to 19 (2016/2015) the number of frameworks that we are signed up to, with successful applications in the year in Leicestershire and Leicester City, Shropshire and Worcestershire. We also now sit on the frameworks for Transforming Care contracts in Lancashire, Coventry and Warwickshire.

We continue to support a number of people who have lived in secure settings and we are currently working in partnership with other members of the Transforming Care Taskforce to explore sustainable long term community-based solutions for people who remain in assessment and treatment units. In addition, and as an active member of the Transforming Care Taskforce, we were asked by NHS England to work with Buckinghamshire, Swindon and Wiltshire Councils as they developed their Transforming care plans.

Following a lengthy procurement process during the year we were delighted that it was confirmed that MacIntyre will remain as a lead provider in Warrington, where we are supporting over 40 people. A further focus for our business development and local operational teams this year has been the development of new and self-directed contractual arrangements with 95 people living in Derbyshire, following the conclusion of the original 10-year contract.

We remain focused on growth opportunities in areas where we have an existing infrastructure and in new geographical areas where we believe that we can make a difference. Transformation of provision, innovation and quality in practice all remain important to us. We continue therefore to invest charitable funds to achieve these objectives. The numbers of people who are seeing their eligibility reduce or who do not reach the threshold continues to increase. We have this year allocated some of our charitable funds (£35k) to the development of a project with Community Catalysts. This project will explore how in three geographical areas we can extend our reach to make a contribution to the local community infrastructure, thereby enabling advice and support to be available to people who have fallen outside the eligibility criteria.

### Our People

**Self-advocacy** - we have intentionally challenged ourselves this year to ensure that the perceptions, views and opinions of people we support and their families shape what we do and how we do it. We recognise that confidence to enable people to self-advocate is key and so we continue to ensure that people are connecting independently to local advocacy groups and to the membership organisation Learning Disability England (LDE). Our strong heritage and depth of skills in Person Centred Approaches ensures that people lead their support locally and our growing network of *My Voice* groups, a growing number of *Experts by Experience* and a number of feedback surveys collectively help us to understand trends and themes on an organisation-wide basis.

## CHIEF EXECUTIVE'S REPORT

**Media** - MacIntyre is a founding sponsor of Learning Disability England and it is through these links that Sui Ling Tang has been involved with the Supported Loving Campaign, a campaign championing the rights of disabled people to enter into loving relationships and challenging attitudes. The campaign was featured as part of the Channel Four *No Go Britain* documentaries and Sui Ling Tang, who is supported and employed by MacIntyre, presented a dedicated feature, aired as a segment of Channel Four news in April 2017.

MacIntyre has provided expert consultation and advice to ACCTV, a production company that has been specialising in educational programmes for the care sector since April 2015. Specific filming took place in early 2016 with programmes and live expert panel debates streamed later in the year. One of our expert consultants was Rosie Joustra, who has been supported by MacIntyre since she was a child. Rosie lives in Milton Keynes and as well as working at both our Central Office and the office in Great Holm, Rosie also works for an outdoor catering service, volunteers at the Hospital and is an *Expert by Experience* for Milton Keynes Council.

**Book launches** - Jess Hiles, who is supported by MacIntyre, is the co-author of the "Jess the Goth Fairy" book series. Jess and her co-author have launched their third book "She's Still My Nan" this year. This book introduces us to Jess the Goth Fairy's family and to her Nan who has recently been diagnosed with dementia. Jess hopes that this book will help people understand a little more about dementia and she has book signings planned for later in the year.

Sulaimaan Rashid who is supported at our *No Limits* provision in Buckinghamshire, successfully launched his book "Sam the Lonely Tree" which he both wrote and illustrated. The book is a story based on insecurity, friendship and support. All profits are being used to support Sulaimaan in creating and producing further work.

**Reps on Board** - this year saw the *Reps on Board* project celebrate its 10<sup>th</sup> Anniversary. The project is jointly funded by MacIntyre and Derbyshire County Council and provides training and skills to people with a learning disability who are members of their local Partnership Boards. They also provide training to disabled people, local communities and businesses on the issue of "Keeping Safe". The group has visited Westminster to brief their MPs and they have hosted their own local meetings, events and workshops.

**Easy Read** - the *MacIntyre Checkers*, a group of people supported and employed by MacIntyre in Warrington, have met regularly this year to check that the quality of *Easy Read* meets the agreed standards as set out in the new NHS England guidance. Vicky Smith, a MacIntyre Checker, received a *Highly Commended* award from BILD for 'Innovative practice in service user involvement'.

**Duke of Edinburgh Award** - *Wingrave* School joined our Life Long Learning Centre in Warrington in becoming an accredited centre for the Duke of Edinburgh Award. Young people from both areas have enjoyed success this year with three children from Wingrave completing their accreditation and a group of young people from Warrington completing their bronze certificates.

**The Big Hike** - the annual Big Hike returned to the Peak District this year. Children and adults supported by MacIntyre were joined by staff members to camp and hike for a week. The Hike is a wonderful opportunity for teamwork, learning the importance of endurance and perseverance as well as an opportunity to make new friends and increase fitness levels. Daniel Simmonds, a front line manager from Bedfordshire, joined us this year and set his own challenge to run ten miles each day for five days. Daniel successfully completed his challenge and raised money for projects in both Bedfordshire Adult Services and wider projects in MacIntyre.

**Roadshows** - In November and December 2016 some 800 people from around MacIntyre came to Roadshows in Warrington and Towcester. The purpose of these annual events is for people supported and staff to share their experiences and showcase and celebrate all that has been achieved up and down the country during the year. There was a special celebratory feel to both events reflecting our Jubilee year.

## CHIEF EXECUTIVE'S REPORT

**Quality** - It is important in the current climate to ensure that we remain ambitious for disabled people and for the workforce and that we promote the rights of both. We remain well connected across the education and social care sectors. As members of umbrella and membership organisations such as NATSPEC, LDE, VODG, BILD and ARC we influence policy and practice and contribute to issues and campaigns that are important to us and to society.

We remain one of the few charities to provide both education services and social care support and therefore have a responsibility to ensure that our practice in all these areas is of the highest standard. MacIntyre has a "welcome all" policy and due to recent demand we have made it explicit in our strategy that we will focus on acquiring the knowledge and skills necessary to meet the education needs of children and young people with SEND and we will do this through the development of alternative curriculums. In addition we will support disabled adults who have a complexity of need due to their autism, their behaviour or because of age and age related conditions such as dementia.

**Alternative Curriculums** - it is important to us that all children at Wingrave school and at our academy schools receive an education that is ambitious for them and that they learn in an environment that make sense to them. We challenge ourselves to develop bespoke curriculums that not only meet the regulatory requirements but also give the children and young people the very best education possible. A new curriculum for key stage 3 and 4 that encompasses informal, semi-formal and formal schemes of work that is better suited to current students has been introduced at Wingrave school. This links well with the newly developed 6<sup>th</sup> form curriculum and enables us to provide ambitious and bespoke learning programmes that help students to be well prepared for the next stage in their education, training or employment.

In preparation for the opening of Quest free school in Rugby we have developed a holistic skills-based curriculum which will support pupils to develop in four key areas; Academic, Skills for Life, Wellbeing, and Engagement. We have developed a partnership with SPIKA, a software developer, to create a new innovative assessment and target setting programme.

Work continues to ensure that the *No Limits* Further Education curriculum is fit for purpose and focused on transition to adulthood. The current curriculum is divided into four pathways: Employment, Independent living, Community Inclusion and Health. It is delivered through bespoke programmes containing elements from each pathway and according to learner need.

**Positive Behaviour Support** - we have invested charitable funds over the past two years £83k to ensure that we achieve a significant step up in the knowledge and skills of our workforce in the area of Positive Behaviour Support (PBS). Belinda Bradley continues to oversee this work and she has further developed the network of PBS coaches and mentors across the organisation, in addition to building a significantly beneficial working partnership with the BILD.

Improved outcomes have been tracked through Health and Safety reports and we saw a shift this year with a significant reduction in the use of the more restrictive interventions and in the number of injuries to staff arising from behaviours of concern. We are in the early stages of a research project with BILD looking at PBS in SEN education, which will enhance our already outstanding behaviour support team at Wingrave and support the teams at our academies.

At the 2017 PBS Leadership Awards Tom Collier received a *highly commended* award for 'Outstanding Practice in Positive Behaviour Support'. Tom, who is supported by MacIntyre *No Limits*, shared his own experience of receiving positive support and his passion for ensuring that others have equal opportunities through positive support experiences.

**Dementia** - the MacIntyre Dementia Project, funded by the Department of Health, has gathered real momentum this year. The purpose of the project is to raise awareness of dementia for people with a learning disability, to develop tools in support of early diagnoses and ongoing person centred support, and to bridge the gap between the learning disability sector and the more mainstream Dementia sector. The project team has spoken at events such as the 'Dementia Action Alliance' Roundtable and at the Royal College of Nursing and the Royal College of Psychiatrists.

## CHIEF EXECUTIVE'S REPORT

We have established working partnerships with the Alzheimer's Society, creating improved *Easy Read* documentation, and more recently with UK Dementia Congress. We are a partner at the 2017 UK Dementia Congress, the UK's largest dementia-focused event, where we will be hosting dedicated sessions addressing the specific challenges in the learning disability sector. Our Dementia Project team were finalists in the 2017 National Learning Disability and Autism Awards in the *Making a Difference* Category.

**Great Communities** - MacIntyre and Community Catalysts have designed an innovative project to build on work already done by MacIntyre's *People Plus* programme to unlock the assets and potential of people supported by MacIntyre. This project, funded by charitable funds, will also explore ways to engage and enable people with learning disabilities or on the autistic spectrum who are getting little or no help from the state to help them live a good life, connected to and contributing to their local community. We will do this in a few discrete geographical areas where we have an existing infrastructure, by engaging local businesses and community groups and help them make communities more inclusive of people with a learning disability.

### Our staff

MacIntyre and MacIntyre Academies together employ 2400 people, of whom 180 people are employed within the academies. Our workforce remains central to our success, as it is the quality of the interactions between our staff and the people we support and the knowledge base and skills of our staff that really set us apart from other organisations. This knowledge and skill requirement becomes more refined and specialist as our education and social care provision becomes more diverse and as the needs of the people we support become more complex. It is for this reason that we continue to invest 3% (2016 3%) of our income into workforce training and development.

**Recruitment** - we are working in an environment where recruitment is becoming more and more difficult as the demand for specialist education, health and social care rises and the supply of workers decreases.

It is predicted that there will be a deficit of one million social care workers by 2020 and that the issues for teacher recruitment will be significantly impacted by the rise in demand over the next few years. Our recruitment focus continues to be on local and more creative attraction strategies, including the development of new working partnerships, such as the *Sector Based Work Academy* in Milton Keynes. We have increased the number of our social media recruitment campaigns and improved the efficiency of the recruitment administration processes.

Steady success has led to a drop of £500k in agency use to £2.6m this year compared to £3.1m last year. During the year a strategy for local and personalized recruitment has been implemented giving greater responsibility to local teams to manage their own recruitment process fully supported by the central recruitment team. There has been a big improvement on the time taken to process new applicants for jobs and the average lead in time has been reduced from 79 days to 48 days. The intention is to reduce this further to 40 days. Our newly formed partnership with an international recruitment agency has proved to be very successful with over 50 candidates being interviewed in the early part of 2017 from Spain and Greece. This enabled us to fill 24 vacancies both at Wingrave School and in our adult social care services in Oxfordshire.

**Engagement and wellbeing** - we are conscious of the need to raise the profile and value of social care work and make the case for sustainable salaries. Despite challenging times during the year nearly half of our employees will have received a salary increase and all our Support Workers are paid above the National Minimum Wage.

We continue to negotiate with our funders to ensure that our salaries remain compliant and competitive and to add to sector intelligence, as we all strive to find sustainable long term solutions for retaining quality social care options.

## CHIEF EXECUTIVE'S REPORT

Staff engagement and wellbeing remains a high priority for us and this year new Staff Council members have been recruited and the remit of the Council broadened. The Staff Council provided excellent support to staff through an organisation-wide consultation relating to changes to sickness terms and conditions.

Over the last year we have been working with our employees to integrate health & wellbeing into daily activities to enable us to create a positive working environment. A key focus has been the implementation of our positive behaviour strategy, supported by the *staff wellbeing* project, developed in partnership with the University of Kent Tizard Centre. The project was set up to provide a suite of support and wellbeing measures for those staff supporting people in highly stressful situations.

In addition to the Staff Council, other engagement activities have included the *Here to Hear* sessions which covered 24 venues and involved the Director Team attending 31 face to face sessions with our staff. This involved listening to staff and hearing what was important to them, celebrating achievements both locally and across the whole of MacIntyre.

We continue to look at ways of improving our communication with our staff and the *Staff Magazine*, celebrating the good work of our staff, is now firmly established and well received. The *Marjorie Newton Wright Awards* have continued to grow year on year with 2016 seeing the highest number of nominations and the highest number of people attending the awards event, which formally recognises our most outstanding employees.

MacIntyre has been an *Investor in People* organisation since April 2001, achieving Silver status in December 2011 and Gold status in 2012. We were delighted to have successfully retained the Gold Investors in People (IIP) status following the assessment against the new tougher standards in the June 2016 assessment.

We have recently launched a new employee recognition programme in order to recognise and thank employees for their contribution, dedication, and commitment to MacIntyre. Through this programme we are able to recognise the outstanding contribution of individuals and teams, as well as incorporate our current schemes, including continuity of service awards and the employee referral scheme.

**Learning and Development** - MacIntyre is known for the depth and breadth of the learning and development opportunities for all staff members. Our challenge is to ensure that we equip our front line staff with the confidence and skills to be the very best across the wide range of children, young people and adult provision and that we enable our leaders to have maximum impact and influence in these unprecedented times. A corporate induction that grounds employees in the MacIntyre DNA and history for all new starters, irrespective of post, were attended by over 380 staff between April 2016 and July 2017.

During the year, with the support of the learning and development team, an area by area workforce learning and development plan has been developed to ensure that the knowledge and skills of the local workforce reflects the unique needs of the local people and their particular model of education or support.

This means that each employee has an individual learning pathway in support of their employment with MacIntyre.

A number of accredited courses are delivered by our in house team and accredited through our City and Guilds accredited centre. This year 59 people completed a level 5 accredited leadership or management qualification, 41 people completed the Certificate in Mentoring level 3 and 126 candidates completed a Diploma in Health and Social Care level 2. In terms of our areas of specialism, 14 people have completed the Certificate in Dementia awareness, 31 people have completed the Award in Supporting People with Profound and Multiple Learning Disabilities level 3 and 42 people completed the Education and Training Standard level 3.

## CHIEF EXECUTIVE'S REPORT

We have had a strong focus on Intensive Interaction this past year, with 14 staff across our schools and adult services now achieving *Competent Practitioner* and many more working towards this.

e-Learning continues to play an important part in our training delivery options. Our learning management system was accessed on average 6,000 times each month and 20,000 e-Learning courses were completed throughout the year. In support of our Dementia project, 10 Modules of *Interactive Dementia* were developed. In addition, 22 small on-line books were designed and four new safeguarding modules developed.

### The Future

We are proud of our past and remain ambitious for our future. We recognise that both the social care and education sectors are experiencing difficult times as the austerity measures persist and as we negotiate our exit from the European Union. The demand for education and social care is set to increase and it is important therefore that as a charity we continue to find ways of delivering innovative, solution focused and sustainable models of education and social care.

We will continue to invest time with both sector organisations and our funders to ensure that our core contractual funding is sufficient to meet our high standards in addition to the statutory and regulatory requirements. We will ensure that we manage and deploy this income diligently and with as much focus on front line support as possible. Our charitable funds will be deployed creatively and in ways that enable us to make a real difference through designing new models of support and new ways of working.

Remaining ambitious for disabled people, their families and the workforce is important to us and we are well placed to set high standards across all of our divisions and to build on our deep child and person centred ideology.



**Sarah Burslem**  
Chief Executive of MacIntyre

21 DECEMBER 2017

## **TRUSTEES' REPORT**

### **Governing Document**

MacIntyre Care was established in December 1966 as a company limited by guarantee. It is a registered charity governed by its Articles of Association as amended by special resolution in September 2002.

### **Statement of Trustees' Responsibilities – Charitable Company**

The Trustees (who are also directors of MacIntyre Care for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 inappropriate to presume that the charitable company will continue in business.

### **Corporate Governance**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the charity, or for publication, is reliable and;
- the charity complies with relevant laws and regulations.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Board of Trustees. A programme of internal audits is in place, derived from a comprehensive risk assessment.

The internal control systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties, and
- identification and management of risks.

During 2017 the Trustees commissioned an independent review of governance to ensure best practice. The recommendations from the governance review have been fully considered and either actioned or integrated into future governance plans.

## TRUSTEES' REPORT

### Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

### Charities and Public Benefit

The Charities Act 2011 placed a requirement on the Charity Commission to produce a guide to charities on the newly created public benefit requirement. Trustees are required by the Act to have regard to the Guidance in their decision making.

### First Principle: there must be an identifiable benefit

MacIntyre's Memorandum of Association states:

*"The object for which the Company is established is the relief of persons who have a learning disability and or a physical disability"*

This is an identifiable benefit and falls within the various descriptions of charitable purposes in the Charities Act 2011: *the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage"*

Specific examples of the services and benefits provided by the Charity to relieve the need of its beneficiaries include:

- The provision of care and housing support to people living in registered care homes, supported living schemes and within their own home.
- The provision of vocational learning opportunities and further education.
- The provision of residential special schools and college education.
- The provision of transition support to school leavers and their families.
- The provision of advice and information.

### Second Principle: benefit must be to the public or a section of the public

The beneficiaries of MacIntyre are without exception children and adults who have learning and or physical disabilities.

There are no geographical or financial restrictions on beneficiaries all of whom have a statutory entitlement for government benefits and or local authority grants to meet the cost of their support. While it is recognised that such funding is means tested, all potential beneficiaries are able to access MacIntyre services as their overall statutory entitlement for support services is not affected by their personal financial circumstances.

MacIntyre has a welcome all policy regardless of the nature of the disability and is fully inclusive in ensuring the widest uptake of beneficiaries.

Perhaps most importantly, not all of the Charity's services are subject to fees. In addition to services fully supported by public funding, MacIntyre uses charitable income to provide free advice and information to people with disabilities and their families. The charity also uses its charitable resources to fund service innovation within the disability sector. There are therefore many services provided for the public for which no fees are charged.

## **TRUSTEES' REPORT**

### **Risk Management**

The Trustees regularly consider the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the use of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure they still meet the needs of the charity. The Trustees meet annually with management to develop and maintain an overview of corporate strategy.

In addition the charity has a sector leading accreditation of our Health and Safety Policy and Procedures with the British Standards Institute (OHSAS 18001). Being the first charity to receive this award it is a significant achievement and a measure of the priority given to safe working practices within the charity. The charity has entered into a contract with the BSI to maintain this accreditation through on-going, six monthly external audits.

### **Statement of Disclosure to Auditor**

- (a) So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware and;
- (b) The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### **Related Party Transactions**

MacIntyre Care is a Corporate Member of MacIntyre Academies Trust, a company limited by guarantee.

No Trustee receives remuneration or other benefit from their work with the Charity. No goods or services were purchased from companies connected with the Trustees. The Charity maintains a Register of Interests which is updated on an annual basis and during the year as appropriate.

### **Key Management Personnel and Remuneration Policy**

The Remuneration and Wellbeing Committee leads the process for Board appointments. It also determines and makes recommendations on the performance and remuneration of the Charity's staff, including the Key Management Personnel.

The Trustees delegate the day to day running of the Charity to key management who are considered to be the Chief Executive Officer and the director team.

### **Impact of HMRC guidance on 'sleep-in' rates**

We are aware that we will need to take account of the potential additional cost to the charity that may arise as a result of compliance with HM Revenue & Customs guidance on meeting minimum wage rates of pay for 'sleep-in' payments. However due to the current uncertainty relating to these costs whilst the government determines how to protect the long term viability of providers and to limit the impact on peoples' care, we are unable to determine the potential cost of this to MacIntyre Care. We note there is a potential contingent liability in this regard, further information for which is given in note 19 to the accounts.

### **Investment Policy**

The Trustees have considered the most appropriate policy for investing funds and have decided to place funds in cash deposits on fixed and short term arrangements to meet the requirements of the charity's cash flow.

**TRUSTEES' REPORT**

**Reserves Policy**

The Trustees have considered the Charity Commission guidance on reserves in updating their reserves policy. MacIntyre is substantially funded by income through grants and contracts to provide services. This income is, in the main, predictable on an annual basis. The charity manages its financial performance to deliver a small surplus to meet its investment plans. With the nature of the services operated by MacIntyre much of the investment is into fixed assets. The investment in our schools and care homes is an essential part in securing future revenue streams and ensuring our services offer the best environments for all the individuals who use them.

The organisation has very few costs which are not directly attributable to services and therefore it is not considered appropriate for MacIntyre to hold significant free reserves which are not invested for the best advantage of all beneficiaries of the organisation. MacIntyre is in a strong and sound financial position with a fixed asset base of £14.4m. The Trustees consider this to be the most appropriate reserves planning for the organisation.

The Trustees have considered the risk to the organisation and consider that free reserves not invested in fixed assets would only be required to cover non direct service costs in the very unlikely event that MacIntyre did not have any continuing service contracts covering these costs. Therefore a target of £1m would allow for between 3 and 6 months cover of all non-service costs to continue the business of the organisation.

MacIntyre level of free reserves at 31 March 2017 not invested in fixed assets is £1.7m. This is currently in line with our target level and MacIntyre will continue to work to retain the target levels of reserves.

**Approved on behalf of the Board:**



J. BERRIMAN

R. HART

**Date** 21 DECEMBER 2017

## **AUDITORS REPORT**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACINTYRE CARE**

We have audited the financial statements of MacIntyre Care Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities (the Summary Income and Expenditure Account), the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

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 2017 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 applicable to Smaller Entities; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**AUDITORS REPORT**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or certain disclosures of trustees' remunerations 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' exemption in preparing the directors' report and from preparing a strategic report.

*V. Finlayson*

Date 21/12/2017

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
<b>INCOME AND EXPENDITURE INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3(a)	2,173	329	2,502	1,119
Charitable activities:	2				
Adult Support Services		33,828	-	33,828	33,670
Children and Young People Services		11,511	-	11,511	10,858
Investments		5	-	5	6
<b>TOTAL INCOMING RESOURCES</b>		<b>47,517</b>	<b>329</b>	<b>47,846</b>	<b>45,652</b>
<b>EXPENDITURE</b>					
Raising Funds	3(c)	49	-	49	46
Charitable activities:					
Adult Support Services		33,326	120	33,446	33,080
Children and Young People Services		11,487	151	11,638	11,856
Loss on disposal of fixed assets		-	-	-	1,247
<b>TOTAL EXPENDITURE</b>	3(c)	<b>44,862</b>	<b>271</b>	<b>45,133</b>	<b>46,229</b>
<b>NET INCOME (EXPENDITURE) FOR THE YEAR</b>		<b>2,655</b>	<b>58</b>	<b>2,713</b>	<b>(577)</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>18,428</b>	<b>451</b>	<b>18,879</b>	<b>19,456</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	12	<b>21,083</b>	<b>509</b>	<b>21,592</b>	<b>18,979</b>

The statement of financial activities includes all gains and losses recognised in the year. There is no material difference between the results as stated and the results on an historical cost basis. All incoming resources and resources expended derive from continuing activities.

**BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Tangible Assets	7	14,033	14,313
<b>NET CURRENT ASSETS</b>			
Property held for resale	8	420	420
Stocks	8	3	4
Debtors	9	5,914	4,730
Cash at bank and in hand	15	4,923	3,645
		11,260	8,799
<b>CREDITORS:</b>			
Within one year	10	(3,701)	(4,208)
		7,564	4,591
<b>NET CURRENT ASSETS</b>			
		21,592	18,904
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Long Term Liabilities:			
Amounts falling due after one year	11	-	(25)
		21,592	18,879
Restricted Funds	12	509	451
Unrestricted funds:			
General Reserve	12	1,752	1,270
Designated funds	12	19,331	17,158
<b>TOTAL FUNDS</b>		<b>21,592</b>	<b>18,879</b>

Approved on behalf of the board:




J. BERRIMAN

R. HART

Company no: 00894054

21 DECEMBER 2017

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £'000	2016 £'000
Statement of Cash Flows		
Cash flows from operating activities	1,598	1,540
Cash flows from investing activities	(320)	291
Cash flows from financing activities	-	-
Change in cash and cash equivalents	<u>1,278</u>	<u>1,831</u>
Cash and cash equivalents at 1 April 2016	3,645	1,814
Cash and cash equivalents at 31 March 2017	<u>4,923</u>	<u>3,645</u>
<b>Reconciliation of net income/(expenditure) to net cash inflow from operating activities</b>		
Net incoming/(outgoing) resources	2,713	(577)
Adjusted for:		
Investment Income	(5)	(5)
Depreciation of tangible fixed assets	605	623
Loss on disposal of fixed asset	-	1,247
(Increase)/Decrease in debtors	(1,184)	1,276
(Decrease) in creditors	(532)	(683)
Long-term creditor written back	-	(444)
Decrease in stock	1	1
<b>Net cash provided by/(used in) operating activities</b>	<u>1,598</u>	<u>1,540</u>
<b>Cash flow from financing activities</b>		
Repayment of borrowing	-	-
Cash inflows/(outflows) from advance fee contracts	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by/(used in) financing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Interest received	5	5
Proceeds from sale of property	-	1,050
Purchase of tangible fixed assets	(325)	(764)
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(320)</u>	<u>291</u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	<u>4,923</u>	<u>3,645</u>

**NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017**

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011. The company was incorporated in the United Kingdom.

**Going concern**

The trustees have assessed whether the use of going concern is an appropriate underlying basis for accounting. They have considered possible events or conditions that might cast significant doubt on the ability of MacIntyre Care to continue as a going concern. The trustees have made this assessment for a period of one year from the date of the approval of these financial statements. In particular, the trustees have considered MacIntyre Care's forecasts and projections and have taken account of the key risks that the organisation faces. After making enquiries, the trustees have concluded that there is a reasonable expectation that MacIntyre Care has adequate resources to continue in operational existence for the foreseeable future. MacIntyre Care therefore continues to adopt the going concern basis in preparing its financial statements.

**Freehold land and buildings**

Freehold land and buildings are stated at their deemed cost being the valuation at the date of transition to FRS 102. The charitable company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any impairment losses. The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

**Income**

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Fee income is recognised in the period in which services are provided and the related fee income is receivable. Fees received in advance of care services provided are held within deferred income until the period to which they relate.

Donations and grants, including grants in respect of major items of refurbishment, improvements or the purchase of fixed assets are recognised in the Statement of Financial Activities when receivable. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

**Resources expended**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Charitable activities include expenditure associated with running the registered care and nursing homes.

Where costs relate directly to a particular activity they are allocated to that activity. Central support costs are allocated to activities based on a percentage of income with:

76% of costs allocated to Adult Support Services (2016 75%) and  
24% of costs allocated to Children and Young People Services (2016 25%)

**NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017**

**Fixed Assets**

Equipment and furnishings are capitalised at inception of a service and depreciated in accordance with the rates below. The cost of replacements is written off during the period the expenditure is incurred. All fixed assets are initially recorded at cost.

**Fund Accounting**

General unrestricted funds are those available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose and includes the net book value of tangible fixed assets used by the charitable company in its operational activities.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset evenly over its expected useful life as follows:

Freehold land and buildings	-	2% per annum
Long term Leasehold	-	period of the lease
Short term Leasehold	-	period of the lease
Equipment and furnishings	-	15% - 33% per annum

The carrying values of tangible fixed assets are reviewed for impairment each year if events or changes in circumstances indicate the carrying value may not be recoverable.

**Property held for resale**

Property that is not being used for charitable purposes has been transferred to current assets awaiting sale.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred to bring the goods to their present location and condition at the Balance Sheet date. Net realisable value represents anticipated selling price less any further costs expected to be incurred to disposal.

**Leasing and hire purchase contracts**

Rentals on operating leases are charged to revenue on a straight line basis.

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

### Pensions

The company operates a defined contribution pension scheme for its employees. Contributions to this scheme are charged to revenue as they fall due. The company has no potential liability other than for the payment of those contributions.

### Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

As described in note 19, the Trustees acknowledge that there may be a potentially significant liability in relation to sleep-in payments which may not comply with minimum wage guidelines. In the view of the trustees, the extent of the uncertainties in relation to the calculation of the possible liability means that this is not possible to quantify at the balance sheet date and therefore no provision has been recognised in the financial statements.

Except for the matter referred to above, in the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

### Financial Instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments. Financial Instruments are recognised in the charitable company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS102.

## 2. INCOMING RESOURCES

Fees represent amounts invoiced to local authorities, individuals and other funding agencies in respect of the provision of care and support services.

Income is all attributable to the continuing activities of the charity, in accordance with its objects.

### 2.1. NET INCOMING RESOURCES

#### (a) Donations and Legacies

MacIntyre thanks all donors who have contributed to the work and the organisation during the year.

The income in donations and legacies was £2,682k (2016: £1,119k) of which £2,353k was unrestricted (2016: £822k) and £329k was restricted funds (2016: £297k).

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

## 2.1. NET INCOMING RESOURCES (CONTINUED)

(b) Grants received during the year which are included within charitable activities are as follows:

	2017 £'000	2016 £'000
Beatrice Laing Trust – Alexandra Centre for Further Education	-	20
Department of Health – Dementia Project*	137	19
Family Footings	-	1
FB Bailey Thomas Charitable Fund – Alexandra Centre for Further Education	-	10
Department for Work and Pensions – Access to Work	7	6
John Lyons Charity – Alexandra Centre for Further Education	50	37
Reps on Board	45	39
Skills for Care – Workforce Development Fund	14	17
Warrington Community Cafe	13	6
<b>Total Grants Received</b>	<u>267</u>	<u>155</u>

\*Department of Health during the year 2016/2017 grant funds were received of £137,473 there was also a balance brought forward from previous year of £4,310 giving a project total of £141,783. Total expenditure on this project during the year was £156,126.

## 3. CHARITABLE ACTIVITY EXPENDITURE

	Direct Costs £'000	Restricted Project £'000	Designated Expenditure £'000	Support & Other £'000	2017 Total £'000	2016 Total £'000
Adult Support Services	29,476	120	-	3,850	33,446	33,080
Children & Young People Services	10,271	151	-	1,216	11,638	11,856
Fundraising Costs	49	-	-	-	49	46
	<u>39,796</u>	<u>271</u>	<u>-</u>	<u>5,066</u>	<u>45,133</u>	<u>44,982</u>

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

## 3. (b) Analysis of Support Costs

	Adult Services £'000	Children and Young People Services £'000	2017 Total £'000	2016 Total £'000
<b>Support Costs:</b>				
Training	502	159	661	667
IT	200	63	263	221
Standards & Excellence	258	81	339	362
Management & Administration	1,718	543	2,261	2,343
Finance & HR	1,172	370	1,542	1,577
	<u>3,850</u>	<u>1,216</u>	<u>5,066</u>	<u>5,170</u>

## 3. (c) Surplus is stated after charging

	2017 £'000	2016 £'000
Depreciation	605	466
Operating Leases		
- Equipment & Vehicles	248	543
- Buildings	357	428
Audit fees	30	30

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

## 4. EMPLOYEES

The average monthly number of employees during the year was as follows:

	2017 No.	2016 No.
Adult Support Services	1,594	1,437
Children and Young People Services	356	351
Management and Administration	109	102
	<u>2,059</u>	<u>1,890</u>
<b>Staff costs during the year amounted to:</b>		
	2017 £'000	2016 £'000
Wages and Salaries	30,575	29,819
Social Security Costs	2,166	2,147
Other Pension Costs	515	538
	<u>33,256</u>	<u>32,504</u>
Agency Staff Costs	<u>2,634</u>	<u>3,141</u>
	<u>35,315</u>	<u>35,645</u>

The Charity contributes to a defined contribution scheme, the MacIntyre Pension Plan. Where staff transfer under TUPE arrangements, MacIntyre Care has upheld pension rights and makes payment to local authorities and NHS Pension funds.

MacIntyre Care is recognised as an employer within the Teachers' Pension Scheme. The total pension costs of the Charity are disclosed above.

**Redundancy Restructuring Costs**

During the year the company paid redundancy restructuring costs to staff amounting to £65,308 (2016: £144,963).

**Employee emoluments:**

Employees receiving emoluments (including benefits in kind) in excess of £60,000 were as follows:-

	2017 No.	2016 No.
£100,001 - £110,000	1	1
£80,001 - £90,000	2	2
£70,001 - £80,000	3	3
£60,001 - £70,000	4	5

The total employer's pension contributions for the above higher paid employees during the financial year was £31,325 (2016: £43,400).

**Key management personnel**

Key management personnel include the senior management team of the organisation comprising of the Chief Executive, Finance Director, Workforce Director, Operations Directors and Business Development Director. The total emoluments and employee benefits of this group were £492,325 (2016: £478,400).

## 5. TRUSTEES' EMOLUMENTS

None of the Trustees or any person connected to them received any remuneration or reimbursement for expenses in the current or prior year.

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

## 6. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

## 7. TANGIBLE ASSETS

	Freehold Land and Buildings	Long Term Leasehold Property	Short Term Leasehold Property	Equipment and Furnishings	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2016	17,029	530	671	4,783	23,013
Additions	114	-	-	211	325
At 31 March 2017	<u>17,143</u>	<u>530</u>	<u>671</u>	<u>4,994</u>	<u>23,338</u>
Depreciation:					
At 1 April 2016	3,383	518	658	4,141	8,700
Charge for the year	344	2	12	2,487	605
At 31 March 2017	<u>3,726</u>	<u>520</u>	<u>670</u>	<u>4,388</u>	<u>9,304</u>
Net Book value:					
At 31 March 2017	<u>13,417</u>	<u>10</u>	<u>1</u>	<u>605</u>	<u>14,033</u>
At 1 April 2016	<u>13,646</u>	<u>12</u>	<u>13</u>	<u>642</u>	<u>14,313</u>

## 8. PROPERTY HELD FOR RESALE AND STOCKS

	2017 £'000	2016 £'000
Property held for resale	<u>420</u>	<u>420</u>
Stock	<u>3</u>	<u>4</u>

## 9. DEBTORS

	2017 £'000	2016 £'000
Trade Debtors	5,337	4,019
Other Debtors	51	64
Prepayments	433	437
Accrued Income	93	210
	<u>5,914</u>	<u>4,730</u>

A bad debt provision of £154,722 (2016 £153,610) is included within trade debtors above.

**NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017****10. CREDITORS:** amounts falling due within one year

	2017 £'000	2016 £'000
Trade Creditors	619	760
Other Taxes and Social Security	491	502
Fees In Advance – Deferred Income	1,813	2,066
Other Creditors	232	205
Accruals	546	675
	<u>3,701</u>	<u>4,208</u>

**11. LOANS**

## Analysis of Loans:

	2017 £'000	2016 £'000
Wholly repayable within 5 years	-	25
Not wholly repayable within 5 years - Other than by instalments	-	-
	<u>-</u>	<u>25</u>

A loan of £25,000 has been transferred to creditors due within 1 year in recognition of the fact that the organisation would immediately repay this loan on request.

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

**12. RECONCILIATION OF MOVEMENT ON RESERVES**

Designated funds have been set aside out of unrestricted funds by the Trustees for specific purposes.

- a) Fixed Asset Designation – this fund represents fixed assets invested in buildings and equipment in which we provide services.
- b) Specific Projects – including research and development within the sector.

Restricted funds represent the balance of funds donated for specific purposes which are being utilised by the company in accordance with the donors' specific requests.

	General Funds £'000	Unrestricted Designated Funds £'000	Fixed asset Fund £'000	Restricted Funds £'000	Total £'000
At 31 March 2016	1,270	2,845	14,313	451	18,879
Net Incoming Resources	482	2,403	280	58	2,713
At 31 March 2017	<u>1,752</u>	<u>5,248</u>	<u>14,033</u>	<u>509</u>	<u>21,592</u>

**Purposes of Restricted Funds**

The restricted funds balance is comprised of grants and donations received for the benefit of a specific MacIntyre Care service or group of service users. Funds are held for a number of services and local managers, staff and service users are encouraged to decide the best ways to use these funds to enhance their services.

**Purpose of Designated Funds**

The Trustees have agreed a policy on the use of non-specific donated funds: they will be designated for charitable benefits, over and above the core running costs of the charity, and not funded through statutory entitlements

**13. PENSIONS**

- a. The company operates a defined contribution pension scheme for employees. The total pension cost for the charitable company during the year was £611,766 (2016 £537,813). The charity contributed £28,799 (2016: £27,587) to a money purchase pension plan in respect of the employees whose emoluments were in excess of £60,000.
- b. The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. Under the definitions set out in FRS102, the TPS is a multi-employer scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity sets out below the information available on the scheme.

Under the TPS Agreement, employer contribution rates from 1 April 2017 are continuing at 14.1% with employee rates varying between 6.4% and 11.2%.

The pension charge for the year includes contributions payable to the TPS of £72,766 (2016: £91,210). At the year-end £10,487 (2016: £11,295) was accrued in respect of contributions to this scheme.

## NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017

## 14. OPERATING LEASES

The company has the following commitments under the non-cancellable operating leases at 31 March 2017.

Operating Leases Expiring:	2017		2016	
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Within 1 Year	242	131	171	190
Within 2 To 5 Years	56	374	86	321
After More Than 5 Years	102	-	168	-

## 15. MOVEMENTS IN CASH AND CASH EQUIVALENTS

	2016	Change	2017
	£'000	in Year	£'000
		£'000	£'000
Cash at bank and in hand	3,645	1,278	4,923
	<u>3,645</u>	<u>1,278</u>	<u>4,923</u>

## 16. RELATED PARTY TRANSACTIONS

No goods or services were purchased from companies connected with the Trustees. Some donations were received from Trustees in the normal course of business.

MacIntyre Academies Trust, a company limited by guarantee, was incorporated in December 2012. This is a related party to MacIntyre Care as Trustees and Members are connected between the two organisations.

MacIntyre Academies Trust currently runs two academies with a new academy due to open in September 2017. MacIntyre Academies Trust had an income of £4.9m in the year 2016/2017 and a balance sheet value at 31 August 2017 of £7.9m.

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2017 are represented by:

	Unrestricted		Restricted Funds	Total Funds
	General Funds	Designated Funds		
	£'000	£'000	£'000	£'000
Tangible Assets	-	14,033	-	14,033
Net Current Assets	1,777	5,298	509	7,584
Long Term Liabilities	(25)	-	-	(25)
Total Net Assets	<u>1,752</u>	<u>19,331</u>	<u>509</u>	<u>21,592</u>

**NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2017**

**18. CAPITAL COMMITMENTS**

At the date of the balance sheet there were no capital commitments.

**19. CONTINGENT LIABILITY**

In July 2017 The Government's Department for Business, Energy & Industrial Strategy reaffirmed its position that all employers are responsible for paying the correct minimum wage to their staff and that HMRC would take enforcement action against those who did not. This affects employers such as ourselves, paying staff a flat rate payment for overnight 'sleep-in' shifts which may not meet the minimum wage guidelines.

As of 26 July 2017 the government announced it would temporarily suspend enforcement activity and waive fines and penalties for employers found to have underpaid workers prior to this date. On 28 September 2017 the government announced a further month's suspension of minimum wage enforcement. On 2 November 2017 HMRC launched the social care compliance scheme for social care providers to work with HMRC to explore the national minimum wage and sleep in issue.

At the date of approval of these financial statements it is unclear what the financial impact for the charity will be. The latest government statement indicates that they are exploring options to minimize the impact on the sector, but will be constrained by EU state aid rules. It may be some time before the cost can be estimated reliably as there is no clarity at present as to how the potential liability is to be calculated, nor whether there will be the ability to recover additional costs either from local or central governments.

For this reason the Trustees believe that there may be a potentially significant liability for MacIntyre Care in respect of underpayment of 'sleep-in' pay. However at the date of approval of the financial statements the amount of the potential liability is not quantifiable due to the uncertainties described above. Accordingly no provision has been recognised in the financial statements.