

MacIntyre Care

Report and Financial Statements

YEAR ENDED 31 MARCH 2016

Registered Charity 250840

Company No 894054

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LEGAL & ADMINISTRATIVE DETAILS

TRUSTEES

John Berriman (Chairman)
Denise Cockrem
Jonathan Goedhuis
Rosemary Hart
Christine Hodgson (Resigned December 2015)
Neil Macmillan
Sophie Purdy
Nikki Shale MBE
Duncan Strachan
Martin Zahra
Rachel Taylor (Appointed 1 April 2016)
Dr Dragana Josifova (Appointed 1 May 2016)
Ruth Smyth (Appointed 1 June 2016)

COMMITTEES IN 2015/16

Audit, Risk and Safeguarding

Rosemary Hart
Neil Macmillan *
Martin Zahra

Governance Review

John Berriman
Rosemary Hart *
Martin Zahra

Nominations

John Berriman *
Johnny Goedhuis
Rosemary Hart

Property

Denise Cockrem
Rosemary Hart
Nikki Shale *

Remuneration & Wellbeing

Denise Cockrem
Johnny Goedhuis *
Sophie Purdy
Duncan Strachan

* denotes committee chairs

SENIOR MANAGEMENT AND COMPANY SECRETARY

Sarah Burslem

Chief Executive

Sarah.burslem@macintyrecharity.org

Claire Toombs

Finance Director and Company Secretary

Claire.toombs@macintyrecharity.org

Brenda Mullen

Managing Director of MacIntyre Academies Trust

Brenda.mullen@macintyreacademies.org

Helen Bass

Workforce Director

Helen.bass@macintyrecharity.org

Anne-Marie Dawe

Children and Young People Director

Anne-marie.dawe@macintyrecharity.org

Emma Killick

Adult Services Director

Emma.killick@macintyrecharity.org

Natalie MacPherson

Business Development Director

Natalie.macpherson@macintyrecharity.org

PRINCIPAL AND REGISTERED OFFICE

602 South Seventh Street

Central Milton Keynes

Buckinghamshire MK9 2JA

Telephone: 01908 230100

Website: www.macintyrecharity.org

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 - celebrating 50 years of MacIntyre

It is a real privilege to report to you in our Golden Jubilee year, 2016. I have seen the evolution of MacIntyre at first hand, as my brother, James, was MacIntyre's first ever student, at our former school at Westoning. It was Ken Newton-Wright, our founder, who had the vision in the late 1960s to provide lifelong care, education and development and thereby create a new world for people with learning disabilities, where they could be challenged and supported to live the lives they chose. Their prospects at the time otherwise were bleak.

James, who has Downs Syndrome, lived with the Newton-Wright family before Westoning School opened formally. MacIntyre has supported him since then, nowadays in supported living arrangements in Milton Keynes. James has been married for 17 years to Angela (who also has Downs Syndrome) and they are the very embodiment of MacIntyre's vision.

MacIntyre has evolved from that one small pioneering school at Westoning to a sector-leading national charity providing learning, support, education and care to 1,100 children, young people and adults with learning disabilities, complex needs and autism, and their families across England and Wales. Over the last 50 years we estimate that we have provided education to some 1,000 people with learning disabilities and we have supported a further 2,500 adults and their families through our various services across the UK. We are immensely proud of the contribution that we have made, both to the individuals we support and to our sector.

Our development in our first 25 years was guided by my father, Sir David Berriman, first as a director and then as chairman of MacIntyre, from 1977 to 1993. He remains a huge supporter of all we do and has been a great source of wisdom and guidance to me since I first became involved in MacIntyre governance roles in 1985. The close family links between a variety of Trustees and MacIntyre has 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.

We held a variety of Golden Jubilee celebrations this year, including: the Savoy wine dinner organised by Trustee Johnny Goedhuis, which raised an incredible £228,673 for MacIntyre; the fantastic six week exhibition of photographs taken by award-winning photographer Polly Braden at the National Media Museum in Bradford, viewed by over 10,000 visitors; the annual MacIntyre golf day at Woburn, where we have enjoyed such wonderful support year after year; the emotional dance performance by two people supported by MacIntyre at the London Gala Ball; and many more local activities. We are very grateful to all those who have been so generous in supporting us this year.

Our updated Corporate Strategy was launched at the start of our Jubilee year. It emphasises the excellence of our service provision and the behaviours expected of all our people. MacIntyre has demonstrated its resilience and ambition over the decades and like any organisation we have had our ups and downs. However, we always focus on retaining our deep commitment to the people we support and doing the right thing. 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. They deserve our unqualified thanks.

Finances - an improving but tight position

The MacIntyre group had total incoming resources of £45.6m in 2016 (£45.2m in 2015) on which it generated an operating surplus of £670k before the loss on disposal of fixed assets (deficit of £651k in 2015). MacIntyre's balance sheet remains strong with total funds of £18.9m (£19.5m in 2015).

The overall finances of MacIntyre for both the last two years have been affected significantly by the closure of Womaston School. This year we disposed of the school property and incurred a book loss

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of £1.2m on disposal. In the previous year we incurred a loss of £606k relating to the school's closure, which included operating costs, redundancy and other staff payment costs. Excluding those closure costs we incurred a small loss of just £45k in the previous year. In the year prior to that (2014) MacIntyre Care generated an overall surplus of £445k for reinvestment in charitable activities. Our aim is to continue to generate surpluses year by year, as we have done traditionally.

Our main financial challenge continues to be to minimise agency costs and empty place costs. We were running at a small deficit in the early months of the financial year and management responded by devising and implementing a successful remediation plan to turn us back into generating monthly surpluses, which we achieved in the latter part of our financial year. So we are set well for 2016/17, albeit that MacIntyre will always require tight and tough financial management.

We operate on incredibly tight margins and so small adverse cost variances have a disproportionately negative impact on our results. Our central administrative costs, expressed as a percentage of our turnover, remain in the best quartile compared to the charitable sector as a whole. We currently stand at a healthy 6% (6.3% in 2015). We continue to benchmark our cost profile against others in our sector, as a means of ensuring that we remain competitive and efficient. 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.

We were grateful to have received a £450k legacy from the estate of a long standing donor in March 2015. The donor had been a supporter of MacIntyre for many years and we are committed to ensuring that these funds are invested in the skills of our workforce and in our ability to continue to innovate.

Governance and Management - a strong and skilled 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.

We are delighted that Trustee Nikki Shale has been awarded an MBE. Nikki has been involved as a Trustee of various charities, both in the UK and Rwanda, for over 30 years and continues to make a major contribution to MacIntyre.

Christine Hodgson stepped down during the year under review in October 2015 after some eight years as a Trustee. Christine made a great impact on MacIntyre and we were very sorry to lose her as she brought to us a special mix of compassion and care, allied to deep operational and financial rigour. It is a measure of how much in demand she is for her skills and capabilities that she was invited by the Secretary of State for Education in December 2014 to set up and chair a newly formed Careers and Enterprise Company, helping to prepare and inspire young people for the world of work.

We aim for our Trustee Board to ideally comprise of the order of 12 Trustees, with by preference no less than eight and no more than 14 Trustees. Our numbers had fallen to nine Trustees in the last two years, as some long-serving Trustees retired. Accordingly, we have recently recruited three new Trustees to the Board, bringing us back to 12 Trustees in total.

We are very excited about this next stage of our governance evolution. Our newly appointed Trustees will broaden our expertise and bring a range of new skills to the Board. Our recently recruited Trustees are: Dr Dragana Josifova, a consultant in Clinical Genetics and Honorary Senior lecturer at the largest Foundation Trust in the NHS; Ruth Smyth, an HR specialist and Head of Global Talent at the world's leading provider of talent acquisition and management services; and Rachel Taylor, a partner in the world's largest professional services firm, specialising in Risk Management in the public sector.

Trustees - 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

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grateful to all my fellow Trustees for their support and contribution. Four of our Trustees, myself included, have relatives who are supported by MacIntyre and in addition another Trustee is a parent with a son with a learning disability. As I said in my introduction above, we have a very strong connection at the Board to the on-the-ground services that are needed and that MacIntyre provides. All new Trustees receive an induction delivered by senior management which provides a comprehensive understanding of the charity and its services. Trustees are updated on all relevant sector matters and received training where appropriate.

Management - MacIntyre is in the capable and experienced hands of Sarah Burslem and her Director team. Sarah first took charge of the day to day running of MacIntyre as our Managing Director in January 2014 and she was appointed by the Board as our Chief Executive (CEO) in January 2016.

Brenda Mullen is the CEO of MacIntyre Academies Trust, our growing schools' venture. She has a full time focus on overseeing the strategic and operational development of the academies business. Claire Toombs is our Director of Finance with a key remit across Corporate Services, including acting as the Company Secretary of both MacIntyre Care and MacIntyre Academies Trust.

Emma Killick leads Adult Services, having taken over that role from Sarah Burslem in January 2014 and Anne-Marie Dawe, who was previously Executive Director of MacIntyre School, Wingrave, was appointed as Director of Children and Young People services in June 2015. Natalie MacPherson is responsible for helping drive growth, with responsibility for Business Development across MacIntyre and Helen Bass, who joined us in February 2015, is our Workforce Director, with a crucial remit to address the level of agency spend and reduce vacancies nationally.

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. 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.

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 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. Further commentary on the composition and activities of each committee (Audit, Risk and Safeguarding, Governance Review, Nominations, Property and Remuneration & Wellbeing) in the year is provided below.

Governance review - 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. We last had an external review of our governance structure over a decade ago, when the Charity Commission visited MacIntyre and made some specific recommendations, that we subsequently instituted, on how best we govern ourselves.

The Trustees determined that it would be appropriate to commission an independent governance review in 2015/16, incorporating the roles and duties of both Trustees and management, and including the vital links between MacIntyre Academies Trust and MacIntyre. The external provider that we

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retained, in a selection process overseen by a committee of Trustees including Rosemary Hart (who chaired the selection process), John Berriman and Martin Zahra, was *Optimum Support for Charities*, a specialist charity advisory organisation.

Optimum Support undertook its comprehensive governance review work over the period from December 2015 to May 2016 and reviewed our processes and procedures, including our Board minutes and supporting papers, visited selected MacIntyre services, including our school in Wingrave and our Central Office, observed a full Board meeting and conducted one to one interviews with each Trustee and Director.

Optimum Support reported its findings at a combined governance review meeting on 26 May 2016 of Trustees and Directors of both MacIntyre Care and MacIntyre Academies Trust. In the view of Optimum Support *MacIntyre has instituted appropriate and largely effective governance systems, processes and procedures for a charitable organisation of our size, scale and complexity.*

Optimum Support 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. As with any business, there are areas for improvement. Trustees have now agreed a plan to update certain of our governance processes by inter-alia: 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; clarifying further the delegations that the Board has put in place; and developing further our Key Performance Indicators.

The review has been thought-provoking and helpful and has reinforced for us the importance of our governance always remaining relevant and up to date as we evolve. This is particularly important for a relatively complex and multi-faceted organisation such as MacIntyre. We recognise that it is essential that we remain abreast of both regulatory and best practice developments in the fields of health, social care and education, as all are intertwined in the overall services that we provide to those whom we support.

MacIntyre Academies and Wingrave School - developing 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. Brenda Mullen leads this charity.

MacIntyre Care is itself a corporate member of MacIntyre Academies and is represented by Claire Toombs. Additionally, Anne-Marie Dawe, as MacIntyre Care's Director of Children and Young People services, has management oversight of MacIntyre Academies Trust activities from the perspective of MacIntyre Care. Her 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. She also chairs the Local Advisory Board of Endeavour School.

MacIntyre Academies has four Directors: Neil Macmillan (who is the chair of MacIntyre Academies) and Martin Zahra are the two nominated MacIntyre Care representatives; and the two independent Directors are Adam Goldstein, who is himself the COO of a multi academy trust group and is a project and programme management expert who has provided advice and business planning support to a range of not-for-profit organisations within the Education and health sectors; and Shaun Temple Brown, who is a corporate governance, risk and assurance expert, appointed in December 2012 and December 2015 respectively.

Dr Catherine Carroll, a senior lecturer in special and inclusive education, who joined MacIntyre Academies as an independent Director in October 2014, stepped down from that role in December 2015. She continued to provide helpful advice and guidance to the management team, for which they are very grateful.

Regular reports on MacIntyre Academies progress are taken at the bi-monthly full Trustee Board

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meetings. We are now operating Academies in Oxfordshire and Nuneaton and we look forward with excitement to our existing Academies being the first of many under our management, espousing and promulgating the MacIntyre philosophy of care and education for children with special learning needs.

We continue to provide education services in MacIntyre Care at our special needs school in Wingrave, Buckinghamshire. Our school looks after some 30 students and has some 200 staff. The school is run by Principal, Fiona Veitch, who joined MacIntyre in 2015. She reports to Anne-Marie Dawe, MacIntyre Care Director of Children and Young People services.

We have established a separate School Local Advisory Board (formerly Quality Board) that 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 Trust as part of its governance arrangements. The Advisory Board is open to any Trustee to attend.

Our People - our most important assets

Our staff 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. When a safeguarding incident arises this reminds us of what can go wrong and the damage we do to our reputation and to confidence that others have in us. And when we get things right, which we almost invariably do, then we are entitled to celebrate.

Our nominations committee, chaired by myself and including Trustees Johnny Goedhuis and Rosemary Hart oversaw the process for the appointment of Sarah Burslem as our CEO and was involved in assisting with the recruitment, selection and appointment of Anne-Marie Dawe as the Children and Young People Director. The nominations committee also oversaw the recruitment of the three Trustees who have been appointed since the end of 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.

Our remuneration & wellbeing committee, which reviews Director reward, staff reward levels and other workforce related matters, is chaired by Johnny Goedhuis and includes Trustees Duncan Strachan, Sophie Purdy and Denise Cockrem. During the year the committee took reports from the Workforce Director and reviewed the 2015/16 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 results from the most recent Staff Survey - *Your Views Matter* - were the basis for setting the priorities for staff engagement. We see staff engagement as an important stimulant for change within MacIntyre. Trustees place much emphasis on the actions that management take in response to issues raised by our people.

The Chair of Staff Council presented the Council workplan to the committee covering the areas they are considering working through over the next 12 months. Whilst in 2015 our pay levels remain frozen, as they have for a number of years before, we appreciate this is a particularly difficult for our staff and this is a result of the situation that faces the country as a whole and the social care sector remains under great stress. Trustees particularly appreciate the understanding of our people and the way that they have responded to the new landscape which has necessarily had to evolve for our charitable business, which itself depends so much on government funding.

The committee have been considering pay proposals in 2016 including addressing the impact of the introduction of the national living wage. Trustees welcome the intent to increase salaries across our sector but recognise this will have significant implications for MacIntyre in terms of individual pay and cost levels and the extent to which local authorities and other commissioners are able to meet these increased costs.

CHAIRMAN'S REPORT

Property - ensuring our properties are fit for purpose

Our property committee, which reviews major property moves, new builds and major refurbishments, is chaired by Nikki Shale and includes Trustees Rosemary Hart and Denise Cockrem. The committee took reports from the Finance Director and focussed its attention in particular on the disposal of the specialist school property at Womaston and the refurbishment of residential houses at MacIntyre School, Wingrave and at Great Holm in Milton Keynes. The Womaston site went on the market in late 2014 after the last student at the school left, following the closure of the school in August 2014. Trustees are delighted that the best value offer for the school site came from a Welsh provider of Education services to young people with learning needs, so ensuring that special needs education will continue at our former school.

Audit, risk and safeguarding - protecting our business and our service users

We continue to monitor our finances with particular vigilance in the context of the tough financial environment, the financial effect of the introduction of the national living wage and the budgetary pressures experienced by local authorities. Our audit and risk committee, which reviews finance, audit, risk, safeguarding, health & safety and compliance matters, is chaired by Neil Macmillan and includes Trustees Rosemary Hart and Martin Zahra.

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 service vacancies), cash management and forecasts, its policy for investment of surplus funds and its reserves policy.

A separate safeguarding committee was established in 2013/14 in order to focus on two specific issues that arose in March and June 2014 respectively at our schools; one at our former school at Womaston in Powys and one at MacIntyre School, Wingrave in Buckinghamshire. I reported fully on both these matters in previous years' annual reports and accounts and I reported last year that each had been resolved. The activities of this separate safeguarding committee have now sensibly been subsumed into the remit of the audit, risk and safeguarding committee, so that safeguarding is now 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. We recognise that it is crucial that our people know how to act properly and do so at all times and that we organisationally 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 year comes to an end in December 2016. But as this chapter closes another one opens, as we focus on the next stage of our development and implement fully our new corporate strategy. We will continue to focus on innovating in service delivery supporting the development and membership of the newly formed Learning Disability England, 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.

CHAIRMAN'S REPORT

On behalf of the Trustees I would like to thank everyone associated with MacIntyre over the last 50 years for establishing and 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 a special celebration year and yet another year of incredibly hard work and commitment to MacIntyre.

I hope that everyone will, like me, be incredibly proud of what we have done in the past and excited about MacIntyre's future.

John Berriman
Chair of MacIntyre

CHIEF EXECUTIVE'S REPORT

Introduction

I am delighted to provide my report on our 2015/16 financial year. I am proud to have been appointed as MacIntyre's Chief Executive in January 2016, at a time when we were launching our 2016 strategy and celebrating our Jubilee Year. MacIntyre has a great heritage and through a strong value base (our DNA) has been providing innovative and diverse education and support to children, adults and their families across England and Wales for 50 years.

Our strategy

Our strategy is ambitious for the 200 children and the 950 adults we support and for our 2,000 employees. It sets out how in the current challenging social care climate we will strengthen our partnerships with the people we support and their families, ensuring that they inform and influence what we do and how we do it. We reiterate our commitment to excellence and how we will continue to lead the way in terms of education and care practise. It is very important to us that our workforce have the necessary specialist knowledge and skills to ensure that, irrespective of the type or degree of disability, everyone connecting with MacIntyre will push personal boundaries and live a life that makes sense to them.

We believe that we have a role to play within the communities where we work in exploring new and innovative ways in meeting the social care needs of local people. To this end we continue to allocate core contract funding and invest charitable income in local structures, knowledge and skill, in open and transparent relationships with local people and commissioners and in the development of innovative partnerships.

Our Jubilee year

We are very proud of what we have achieved over the past 50 years and of the distinctive characteristics that define everything that we do. These characteristics are today defined in MacIntyre's DNA, a value base that has great interactions, warmth, kindness and person centred approaches at its heart. In 1966 they were defined in our founder, Ken Newton Wright's, visionary belief of the "learning potential of people with learning disabilities, their value as individuals, their right to equality and their importance to society".

It is important to us that we retain links with the Newton Wright family alongside other families who share our history, as well as nurturing new and exciting links with families who have an interest in what we do now and what we intend to do in the future. We are grateful for the contributions made by the Newton Wright family, Sir David Berriman and John Berriman in the creation of the MacIntyre memories project, funded as a landmark jubilee project by the Heritage Lottery Fund and delivered in partnership with The Open University. The project charts the history of MacIntyre alongside a social commentary of the five decades spanning 1966 to date and can be accessed at <http://macintyrememories.org/>

The Great Interactions photography exhibition and book launch took place at the National Media Museum in March 2016. Both were the culmination of an extraordinary two year project undertaken by the award winning photographer Polly Braden, portraying stories and pictures that captured everyday moments, warm and reciprocal relationships and achievements that challenge outdated representations of disabled people. The exhibition, with text from the book, was featured in the Guardian supplement and is now touring the country where it will be viewed by many more people.

As noted in the Chairman's report, we continue to celebrate this landmark year across the country and I would like to join John Berriman in thanking all our sponsors and supporters who have made these Golden Jubilee events so successful.

CHIEF EXECUTIVE'S REPORT

The People we support

MacIntyre has a presence across England and Wales and we offer an innovative and diverse range of support and education packages to over 200 children and 950 adults. We directly contract with 106 people who are in receipt of a personal budget, 60 local councils, with an additional eight councils funding our children and young people education provision, and 10 Clinical Commissioning Groups.

Throughout the year we have improved what we do in terms of strengthening the voice of people we support and their families. We have continued to refresh and update our *getting to know you* person centred assessment process, increased our *side by side* person centred facilitation training and equipped every person we support and their families with person centred planning tools to ensure that our resources and expertise are allocated in ways that make sense to them. This information was aggregated alongside the 2014/15 annual survey completed by the people we support and helped to inform our 2016 strategy.

We also continue to work alongside existing regional *My Voice* self-advocacy groups and to support the creation of new groups. During this year we have worked alongside groups in Milton Keynes, Bedfordshire, Warrington and Worcester, introducing them to the newly formed Learning Disability England organisation. We are proud to have been a founder member of this new organisation and fully support its campaigning vision. We have continued to build strong links with the Learning Disability England throughout the year through people we support and family members, both of whom have taken on roles to promote the new organisation as the genuine "voice of people with a learning disability".

Adult Services

This year we have supported 950 adults in registered care homes, supported living, outreach, day time and employment settings. This is 150 more people than in the previous year. It is clear that changes to statutory entitlement and associated commissioning decisions are having an impact on the profile of the children and adults who are being referred to MacIntyre. In the main these people are younger with a greater complexity of need.

We are seeing reductions in the support entitlement for some of the people whom we already support and an increasing ageing profile of people whom we have supported for many years. We had planned ahead for this mixed age and need demographic, investing in our knowledge and skills, ensuring that expertise in autism becomes universal, that a significant proportion of our workforce are confident and skilled in the area of Positive Behaviour Support and further developing our understanding and practice in the area of health and dementia.

During the year we have supported people to move away from registered care into their own tenant properties in Essex, Worcester and Cheshire. Our refurbished community hub facility at Great Holm, Milton Keynes is now fully open, with increased opening hours at the coffee shop. We have established vibrant and well attended memory cafés in both Milton Keynes and Warrington for people who have dementia and their families. Our café at Warrington has found new premises and has hosted a number of social events for local people throughout the year.

A group of learners in Warrington have achieved their Gold Duke of Edinburgh awards and they went to Buckingham Palace as part of the Duke of Edinburgh Diamond Jubilee celebrations. We have acquired premises in Kennington, Oxfordshire that will provide a community hub for people attending our current Lifelong Learning facilities in Oxford and an IT suite for our Oxford No Limits learners. This has also enabled us to build capacity in the local area.

We are currently on 15 commissioning frameworks across England and Wales, having been successful this year in our applications to the North West Home Framework, Derbyshire Day Services Framework and Derbyshire Specialist Supported Living Framework. We have been awarded new contracts in Wigan, Wrexham, Hampshire, and Derbyshire and are working with Derbyshire to transform our current day services contract that comes to an end after 10 years in October 2016.

CHIEF EXECUTIVE'S REPORT

We have built on our infrastructure and skills over the year to ensure that we can provide a real and positive alternative to people currently living in assessment and treatment units. We will continue to invest in our skill base and management oversight of this vital area. We were selected in late 2015 to join the Transforming Care Provider Delivery Taskforce. This taskforce was convened in 2015 by the Association of Chief Executives of Voluntary Organisations (ACEVO), Voluntary Organisations Disability Group (VODG) and the Housing and Support Alliance (H&SA). The purpose of the taskforce is to collectively review and respond to the Transforming Care programme and review wider services for people with learning disabilities.

Children and Young People

The number of children and families supported by MacIntyre continues to grow. This year we have supported 200 children and young people: 40 at our independent school in Buckinghamshire; 20 at our new Further Education college in Camden; and 140 young people are entered on to our No Limits education programme running in partnership with seven colleges.

Our independent school in Wingrave, near Aylesbury has a new senior leadership team, who have been in post since September 2015. The school has a Great Interactions tutor and Best Practice mentors based on site. This year has seen the development and embedding of a local governing board at Wingrave, where student progress and OFSTED action plans are overseen and scrutinised. We adopt the same local governance board structure in MacIntyre Academies Trust, which now has two academy schools open to children, Endeavour in Oxfordshire and Discovery in Nuneaton. We aim to ensure maximum cross learning between MacIntyre and MacIntyre Academies Trust.

Our successful and growing No Limits further education provision is currently delivered in partnership with seven colleges across England. This year, as part of the ongoing partnership with Abingdon and Witney and Amersham and Wycombe colleges, we have opened two new purpose built co-located buildings, both providing a much improved learning environment for the learners. We are in the process of updating the curriculum, in line with recent OFSTED guidance, to strengthen for each learner the evidence of the sustained impact of their bespoke learning programme, progress they have made in increased independence and their ability to move into employment.

Alexandra Centre for Further Education, our first No Limits provision in London, developed in partnership with Westminster and Kingsway College, opened in September 2015 and provides further education to 20 young people with profound and multiple disabilities. The building refurbishment is scheduled for completion later this year and we are expecting that student numbers will rise to 40 in September 2016 and that the associated short break centre for up to seven young people will be opened in January 2017.

Our Staff

MacIntyre is ambitious for all of our employees and continues to invest more than 5% of our turnover in the recruitment, induction and ongoing development of all of our staff. It is important to us that as an organisation we continue to innovate, design new ways of working and achieve excellence in everything that we do. We recognise that this is made possible by the people we employ and we remain appreciative of their creativity and resilience during what are continuing challenging economic times.

It is incumbent on all of our staff to behave in ways that reflect our DNA and our recruitment and learning and development tools are aligned to ensure that all employees are capable of facilitating Great Interactions and of being person centred at all times. We believe that our approach sets us apart and that a MacIntyre employee is recognisable by their facilitation skills and by their warmth, ambition and person centred approach.

These core characteristics pertaining to and defining a MacIntyre employee are complimented by knowledge and skills in specific practice areas. This becomes more challenging and dynamic as the needs of the people we support become more complex and the models of education and support more diverse. We are therefore continually improving the training and development opportunities and we

CHIEF EXECUTIVE'S REPORT

have ensured that our corporate induction aligns everyone from the day they join us to our DNA and to our rich history.

This year we have 87 people who have completed diplomas relevant to both adult and children services, registered and delivered the new certificate in dementia, and registered and delivered the Education and Training Certificate to our No limits staff. We have 38 people who have registered on to the certificate in mentoring and 56 people are working through the Supporting People with Profound and Multiple Learning Disabilities award. We have one director completing The Pipeline – Top Flight leadership and development programme and a number of senior managers who have completed The Pipeline – Leadership Summit, both delivered by the MK-LF Partnership. We have delivered the front line leaders programme to 51 staff and 21 people have completed the Certificate in Leadership and Management.

MacIntyre has been accredited with Investors in People (IIP) since 2001 and judged as a Gold employer since 2012. We were delighted to have retained this Gold accreditation following our 2016 assessment against the new and tougher framework. The IIP assessor reported that “our values continue to be at the heart of everything we do and shape the way that we operate at every level”. Particularly pleasing was confirmation from IIP that their benchmarking has concluded that MacIntyre has scored higher against all indicators than other social care organisations.

As we grow, diversify and broaden our geographical reach, communication and engagement is as important as ever to us as we need to ensure that we hear the views of the workforce. Our formal engagement activities in 2015/16 included our staff survey, overseen by the independent organisation Agenda Consulting, and our *Here to Hear* consultation sessions involving 30 face to face meetings between over 300 employees and the director team. Both captured the positive morale and culture that exists across the majority of our teams.

Our 2016 strategy was launched internally at a national Inspiring Leader's conference in October 2015 and our Marjorie Newton Wright awards event was bigger and better than ever with a record number of applicants and attendees. Our annual roadshows for people we support and staff were held in Towcester and Chester and were visited by over 300 people. We continue to see rises in the number of staff using the on line learning management system for e-learning and communication and the number of Yammer (internal MacIntyre social network) groups has risen this year to 96, with over 503 members.

MacIntyre employs some 2,000 people across the UK and Wales and we are acutely aware of the workforce challenges facing the social care sector, in particular the increasing deficit between demand and supply in the workforce, compounded by the sector being one that is characterised by relatively low pay. For this reason we have welcomed the national living wage proposals but share the concerns expressed across the sector as to the longer term affordability. We continue to work with sector umbrella groups to identify and evaluate the relevant demographic and financial data and have entered into detailed conversations with all of our multiple funders.

During the year we completed the overhaul of our internal recruitment systems and processes, making the transition from a generic and centralised recruitment approach to a local and targeted one. This has had a significant and positive impact on our staff vacancy rates, with a reduction nationally from 10% to 8%. Our agency spend rose from £2.2m in 2014 to £3m in 2015 and we are expecting this to reduce in 2016 due to the positive recruitment activity. Our recruitment team has worked with sector experts to develop a recruitment strategy that will analyse all possible initiatives, including but not limited to apprenticeships and graduate training schemes.

Quality

Our reputation as a provider who has integrity, innovates and focuses on quality remains very important to us. We continue to divert as much of our core funding into front line provision as possible and we allocate charitable funds in ways that universally embeds our DNA, delivers the step-up in the knowledge and skill of our staff in key practice areas and enables us to make a real difference.

CHIEF EXECUTIVE'S REPORT

We continue to employ a number of highly skilled specialists who are experts in their field and ensure that we use research based evidence to influence our support models and practice. We also work in partnership with other organisations who can help us adapt our ways of working to create value within local communities. We have focused on a number of key practice areas this year, described below, and are proud of all that has been achieved.

Dementia - it is clear from research that the numbers of people with a learning disability over the age of 65 and developing dementia is increasing at a rate higher than that of the population of older people who do not have a learning disability. MacIntyre has for some years developed a focus both internally and externally on advice and support to people with dementia, their families and other provider organisations. Our Dementia Specialist Interests Group, supported by Beth Britton, a UK leading Dementia Campaigner, has grown in size and scope over the year. The Group puts a strong focus on learning, sharing and connecting with guest speakers and has included a number of people living well with dementia who have shared their insights and personal experiences.

We are delighted to have the opportunity to build on this success, following an award in February 2016 of a significant grant from the Department of Health's Innovation, Excellence and Strategic Development Fund. We have a dedicated team to oversee this Dementia Project, which will over three years: help raise awareness of dementia among people with a learning disability, their families and professionals to better understand the condition and future care needs; help people with a learning disability receive a timely diagnosis of dementia; train professionals to provide better care for people with learning disability living with or at risk of dementia; and develop a range of learning and multi-media information resources to improve the support and care for people with a learning disability who have dementia.

MacIntyre Healthwatch - the MacIntyre Healthwatch group was established in 2015 to lead MacIntyre's Health Agenda for the people we support and more specifically to champion the physical and mental health well-being of children, young people and adults with autism and learning disabilities. We have given priority this year to auditing our practice, policies and procedures in support of people with epilepsy and working in partnership with the Foundation for People with a Learning Disability to design and deliver the successful introduction to mental health workshops for staff and people we support.

In August 2015 we completed an audit to understand the uptake of NHS Health Checks and Cancer Screening by people supported by MacIntyre and implemented the *Health Calendar* as a method of recording health needs where MacIntyre provides 24 hour support.

Autism - our focus this year has been to refresh our autism strategy and to set out how we can ensure that the knowledge and skills to support people with autism well is universal across the organisation. We have achieved this with the continued support of Sarah Hendrick, an independent trainer, and by widening the scope and membership of the successful Autism Special Interest Group. Sarah Hendrick, who herself has autism, is scheduled to deliver seven bespoke conferences across the organisation.

Positive Behaviour Support - we continue to strengthen our partnership with the British Institute for Learning Disabilities (BILD) Centre for the Advancement of Positive Behaviour Support (PBS), as we embed PBS into our culture. We were delighted that our Head of PBS, Belinda Manning, was given an award at the May 2016 BILD leadership awards. Charitable funds have been used this year to ensure that the shift in culture and the PBS skills base is universal and to this end we have invested in the training and professional development of 41 PBS coaches and 13 PBS trainers. Further cohorts are currently working through the accreditation process.

Compliance

It is important for us to maintain a relentless focus on the effectiveness of our compliance as we grow and strive for excellence. Following the retirement of our long standing Head of Compliance, we took the opportunity to bring the health and safety and safeguarding oversight into the compliance team,

CHIEF EXECUTIVE'S REPORT

resulting in greater collaboration and consistency of approach. We continue to work with the Ann Craft Trust, the Chief Executive of which attends our safeguarding meetings as a critical friend.

We have retained our BSi kitemark, following this year's inspection, for the 12th year in a row. We have held BSi OHSAS 18001 Occupational Health & Safety Management accreditation since 2004. Working with the standard ensures the health and safety of our staff and the people that we support and helps to ensure responsible corporate governance.

Our compliance record remains good in adult services with 93% of inspections undertaken by CQC resulting in a Good rating. Our Head of Compliance continues to be a member of the CQC co-production group, which this year have turned their attention to consultation on CQC's future strategy, consultation on a public engagement strategy and a review of the key Lines of Enquiry.

This year the senior leadership team at Wingrave School has focused on addressing the improvement requirements set out at the last OFSTED inspection and in particular introducing a more robust process for evidencing student progress and embedding the local governing board. It is our aim to return to a Good rating from the previous rating of Requires Improvement at the next inspection.

Our college partners are inspected by OFSTED under the Common Inspection Framework for Education and Skills and our No Limits provision is reviewed as part of these inspections. We have achieved Good or Outstanding ratings across all sites inspected.

Sustainability

This has been a landmark year for us as we celebrate all that has been achieved over the last 50 years and plan for the next steps in our future. Our heritage and track record is strong with a rich value base conceived by our founder some 50 years still underpinning all that we do. The social care sector is however on the precipice of some significant changes, with an increase in demand placing unprecedented strain on already stretched social care budgets. Any resulting gap is likely to result in less statutory funding available to older and disabled people, with a greater expectation on families and communities to provide informal solutions to social care needs.

Within this challenging context we have remained optimistic and aspirational, setting out our approach in our 2016 strategy. We believe that we are well placed and equipped for the future, having analysed the implications of these sector dynamics for our core business and by considering our reach beyond current organisational boundaries, in order to make a contribution to the inevitable and evolving community and informal social care solutions.

It is important in the current political and economic climate for us to work in collaboration with others and to connect with community groups to develop innovative solutions to complex social care issues. Our engagement with the people we support, families and our workforce is good and our links to sector groups such as LDE, VODG, NICE and NATSPEC remain strong. We have over the years developed effective and solution focused relationships with our funders and regulators and continue to work through our collective challenges.

We continue to be one of a relatively small number of third sector organisations providing services to both children and adults and have diversified our service models to ensure we reach more of both and to ensure that we reach those with the most complex of needs. We retain our functional children and adult services structure but have also developed geographical and local infrastructures, enabling us to build up strong relationships with community groups and business. We have fine-tuned our support teams and functions to focus on developing our differentiating characteristics and supporting good operational delivery.

In early 2016 Trustees endorsed our revised growth strategy and associated targets for the next three years. This revised strategy has been underpinned this year by further investment in the role of a project start up manager in our Adult Services Division. We have managed our cost base aggressively in particular in the latter half of this year in order to maintain our financial position. This approach has continued into 2016/17. We do not underestimate the challenges ahead. We remain committed to

CHIEF EXECUTIVE'S REPORT

growth in order to increase and broaden our reach and retain an ability to invest in quality while protecting pressures to our margin.

I would like to thank everyone who has made this landmark year such a success and by extending these thanks to everyone connected to MacIntyre for their vision, resilience warmth and commitment. Morale is high across the organisation and we are very much looking forward to the future.

Sarah Burslem
Chief Executive

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 2016 the trustees commissioned an independent review of governance to ensure best practice. The recommendations from the governance review will be considered and 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.

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

TRUSTEES' REPORT

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.

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.

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 and sufficient to meet any short terms needs that may arise.

TRUSTEES' REPORT

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 2016 not invested in fixed assets is £1270k. 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:

John Berriman

Neil Macmillan

28 December 2016

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 2016 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 2016 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.

Date 28 December 16

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 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
INCOME AND EXPENDITURE					
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3(a)	822	297	1,119	737
Charitable activities:	2				
Adult Support Services		33,670	-	33,670	33,070
Children and Young People Services		10,858	-	10,858	11,418
Investments		5	-	5	7
TOTAL INCOMING RESOURCES		45,355	297	45,652	45,232
EXPENDITURE ON					
Raising Funds	3(c)	46	-	46	21
Charitable activities:					
Adult Support Services		32,967	113	33,080	33,044
Children and Young People Services		11,775	81	11,856	12,818
Loss on disposal of fixed assets		1,247	-	1,247	-
TOTAL	3(c)	46,035	194	46,229	45,883
NET INCOME (EXPENDITURE) FOR THE YEAR		(680)	103	(577)	(651)
TOTAL FUNDS BROUGHT FORWARD		19,108	348	19,456	20,107
TOTAL FUNDS CARRIED FORWARD	12	18,428	451	18,879	19,456

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 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible Assets	7	14,313	16,991
		<u>14,313</u>	<u>16,991</u>
NET CURRENT ASSETS			
Property held for resale	8	420	-
Stocks	8	4	5
Debtors	9	4,730	6,006
Cash at bank and in hand	15	3,645	1,814
		<u>8,799</u>	<u>7,825</u>
CREDITORS:			
Within one year	10	<u>(4,208)</u>	<u>(4,891)</u>
NET CURRENT ASSETS		<u>4,591</u>	<u>2,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,904</u>	<u>19,925</u>
Long Term Liabilities:			
Amounts falling due after one year	11	<u>(25)</u>	<u>(469)</u>
		<u>18,879</u>	<u>19,456</u>
Restricted Funds	12	451	348
Unrestricted funds:			
General Reserve	12	1,270	670
Designated funds	12	17,158	18,438
TOTAL FUNDS		<u>18,879</u>	<u>19,456</u>

Approved on behalf of the board:

John Berriman
Chair

Neil Macmillan
Trustee

Company no: 00894054

28 December 2016

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016 £'000	2015 £'000
Statement of Cash Flows		
Cash flows from operating activities	1,540	250
Cash flows from investing activities	291	(384)
Cash flows from financing activities	-	-
Change in cash and cash equivalents	1,831	(134)
Cash and cash equivalents at 1 September 2015	1,814	1,948
Cash and cash equivalents at 31 August 2016	3,645	1,814
Reconciliation of net income/(expenditure) to net cash inflow From operating activities		
	2016 £'000	2015 £'000
Net incoming/(outgoing) resources	(577)	(651)
Adjusted for:		
Investment Income	(5)	(7)
Depreciation of tangible fixed assets	623	670
Loss on disposal of fixed asset	1,247	-
(Increase)/Decrease in debtors	1,276	717
(Decrease)/Increase in creditors	(683)	(479)
Long-term creditor written back	(444)	-
(Increase)/Decrease in stock	1	-
Net cash provided by/(used in) operating activities	1,540	250
Cash flow from financing activities	2016 £'000	2015 £'000
Repayment of borrowing	-	-
Cash inflows/(outflows) from advance fee contracts	-	-
Cash inflows from new borrowing	-	-
Net cash provided by/(used in) financing activities	-	-
Cash flows from investing activities	2016 £'000	2015 £'000
Interest received	5	7
Proceeds from sale of property	1,050	-
Purchase of tangible fixed assets	(764)	(391)
Net cash inflow/(outflow) from investing activities	291	384
Analysis of cash and cash equivalents	2016 £'000	2015 £'000
Cash at bank and in hand	3,645	1,814

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

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 Charity has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation and reconciliation of how the transition has affected the reported financial position and financial performance is provided in the notes to the financial statements.

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.

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

Resources expended

Where costs relate directly to a particular activity they are allocated to that activity.

Central support costs are allocated to activities as follows:

Based on % of income =	75% Adult Support Services (2015 74%)
	25% Children and Young People Services (2015 26%)

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
Motor vehicles	-	25% 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 2016

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.

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 (£'000) £1,119 (2015: £737) of which £822 was unrestricted (2015: £507) and £297 was restricted funds (2015: £230).

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

2.1. NET INCOMING RESOURCES (CONTINUED)

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

	2016 £'000	2015 £'000
Warrington Community Cafe	6	13
Reps on Board	39	42
Skills for Care – Workforce Development Fund	17	17
Finance	6	2
Family Footings	1	96
Department of Health – Dementia Project	19	-
FB Bailey Thomas Charitable Fund – Alexandra Centre for Further Education	10	-
Beatrice Laing Trust – Alexandra Centre for Further Education	20	-
John Lyons Charity – Alexandra Centre for Further Education	37	-
Total Grants Received	<u>155</u>	<u>170</u>

The income in Charitable Activities was (£'000) £44,528 (2015: £44,488) of which all was unrestricted (2015: unrestricted).

3. CHARITABLE ACTIVITY EXPENDITURE

	Direct Costs £'000	Restricted Project £'000	Designated Expenditure £'000	Support & Other £'000	2016 Total £'000	2015 Total £'000
Adult Support Services	29,079	113	-	3,888	33,080	33,044
Children & Young People Services	10,395	81	98	1,282	11,856	12,818
Fundraising Costs	46	-	-	-	46	21
	<u>39,520</u>	<u>194</u>	<u>98</u>	<u>5,170</u>	<u>44,982</u>	<u>45,883</u>
2015 Total	<u>38,739</u>	<u>150</u>	<u>151</u>	<u>6,843</u>	<u>45,883</u>	

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

3. (b) Analysis of Support Costs

	Adult Services £'000	Children and Young People Services £'000	2016 Total £'000	2015 Total £'000
Support Costs:				
Training	500	167	667	665
IT	166	55	221	161
Standards & Excellence	271	91	362	308
Management & Administration	1,764	579	2,343	2,705
Finance & HR	1,187	390	1,577	1,956
	<u>3,888</u>	<u>1,282</u>	<u>5,170</u>	<u>5,795</u>

3. (c) Surplus is stated after charging

	2016 £'000	2015 £'000
Depreciation	466	670
Operating Leases		
- Equipment & Vehicles	543	560
- Buildings	428	171
Audit fees	30	30

3. (d) Governance costs

	2016 £'000	2015 £'000
Audit fees	23	22
Costs relating to statutory requirements	-	5
	<u>23</u>	<u>27</u>

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

4. EMPLOYEES

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

	2016 No.	2015 No.
Adult Support Services	1,437	1,371
Children and Young People Services	351	368
Management and Administration	102	108
	<u>1,890</u>	<u>1,847</u>

Staff costs during the year amounted to:

	2016 £'000	2015 £'000
Wages and Salaries	29,819	30,914
Social Security Costs	2,147	2,299
Other Pension Costs	538	583
	<u>32,504</u>	<u>33,796</u>
Agency Staff Costs	<u>3,141</u>	<u>2,212</u>
	<u>35,645</u>	<u>36,008</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 £144,963 (2015: £229,116).

Employee emoluments:

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

	2016 No.	2015 No.
£110,001 - £120,000	-	1
£90,001 - £110,000	1	-
£80,001 - £90,000	2	2
£70,001 - £80,000	3	3
£60,001 - £70,000	<u>5</u>	<u>2</u>

The total employer's pension contributions for the above higher paid employees during the financial year, was £43,400 (2015: £47,200).

Key management personnel

Key management personnel include the Chief Executive and the Finance Director. The total employee benefits of the Charity's key management personnel were £183,250 (2015: £210,000).

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 2016

6. TAXATION

The charitable company is exempt from corporation tax on its charitable activities and other group companies have made gift aid donations of their profits to MacIntyre Care.

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 2015	19,728	530	671	4,542	25,471
Additions	103	-	-	241	344
Disposals	(2,702)	-	-	-	(2,702)
Transfer to current assets	(100)	-	-	-	(100)
At 31 March 2016	<u>17,029</u>	<u>530</u>	<u>671</u>	<u>4,783</u>	<u>23,013</u>
Depreciation:					
At 1 April 2015	3,444	516	645	3,875	8,480
Charge for the year	342	2	13	266	623
Depreciation on disposals	(403)	-	-	-	(403)
At 31 March 2016	<u>3,383</u>	<u>518</u>	<u>658</u>	<u>4,141</u>	<u>8,700</u>
Net Book value:					
At 31 March 2016	<u>13,646</u>	<u>12</u>	<u>13</u>	<u>642</u>	<u>14,313</u>
At 1 April 2015	<u>16,284</u>	<u>14</u>	<u>26</u>	<u>667</u>	<u>16,991</u>

The disposal of the Womaston school site during year is included in freehold property above.

8. PROPERTY HELD FOR RESALE AND STOCKS

	2016 £'000	2015 £'000
Property held for resale	<u>420</u>	<u>-</u>
Stock	<u>4</u>	<u>5</u>

9. DEBTORS

	2016 £'000	2015 £'000
Trade Debtors	4,019	5,394
Other Debtors	64	148
Prepayments	437	449
Accrued Income	210	15
	<u>4,730</u>	<u>6,006</u>

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

10. CREDITORS: amounts falling due within one year

	2016 £'000	2015 £'000
Trade Creditors	760	704
Other Taxes and Social Security	502	589
Fees In Advance – Deferred Income	2,066	2,227
Other Creditors	205	659
Accruals	675	712
	<u>4,208</u>	<u>4,891</u>

11. LOANS

Analysis of Loans:

	2016 £'000	2015 £'000
Wholly repayable within 5 years	25	25
Not wholly repayable within 5 years - Other than by instalments	-	444
	<u>25</u>	<u>469</u>

A loan of £25,000 is interest free and repayable at 12 month's notice to an individual who is a supporter of MacIntyre's work.

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

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	Unrestricted Designated Funds	Fixed asset Fund	Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
At 31 March 2015	670	1,447	16,991	348	19,456
Net Incoming Resources	600	1,398	(2,678)	103	(577)
At 31 March 2016	<u>1,270</u>	<u>2,845</u>	<u>14,313</u>	<u>451</u>	<u>18,879</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 £537,813 (2015 £481,469).
The charity contributed £27,587 (2015: £31,387) 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 contributions scheme. The Charity sets out below the information available on the scheme.

Under the TPS Agreement, employer contribution rates from 1 April 2016 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 £91,210 (2015: £94,390). At the year-end £11,295 (2015: £7,865) was accrued in respect of contributions to this scheme.

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

14. OPERATING LEASES

The company has the following commitments under the non-cancellable operating leases at 31 March 2016.

Operating Leases Expiring:	2016		2015	
	Land & Buildings	Other	Land & Buildings	Other
		£'000	£'000	£'000
Within 1 Year	171	190	171	67
Within 2 To 5 Years	86	321	126	295
After More Than 5 Years	168	-	179	-

15. MOVEMENTS IN CASH AND CASH EQUIVALENTS

	2015 £'000	Change in Year £'000	2016 £'000
Cash at bank and in hand	1,814	1,831	3,645
	<u>1,814</u>	<u>1,831</u>	<u>3,645</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 £4.4m in the year 2015/2016 and made a surplus.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2016 are represented by:

	Unrestricted		Restricted Funds £'000	Total Funds £'000
	General Funds £'000	Designated Funds £'000		
Tangible Assets	-	14,313	-	14,313
Net Current Assets	1,295	2,845	451	4,591
Long Term Liabilities	(25)	-	-	(25)
Total Net Assets	<u>1,270</u>	<u>17,158</u>	<u>451</u>	<u>18,879</u>

NOTES TO FINANCIAL STATEMENTS AT 31 MARCH 2016

18. CAPITAL COMMITMENTS

At date of balance sheet no capital commitments.

19. TRANSITION TO FRS102

This is the first year that the charitable company has prepared its financial statements under FRS102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS102 was 1 April 2014. The following adjustments have also been made in order to comply with the new SORP and FRS102 which have had no effect on total funds or the income and expenditure but which have affected the presentation of certain items in the statement of financial activities.

Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are not regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.