

**United Response
Annual Report and Accounts
2017/18**

**Charity number 265249
Company registration number 1133776**



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Objectives and activities of the charity

United Response is a national charity that works with adults and young people with learning disabilities or mental health needs. We are a community based organisation working in England and Wales, providing bespoke residential care, supported living, day services and employment support.

Our **mission** is to ensure that individuals with learning disabilities, mental or physical support needs have the opportunity to live their lives to the full.

Our **vision** is a society where everyone has equal access to the same rights and opportunities.

Our **values** are the 'golden thread' running through everything we do. We are: *Creative, Responsive, United, Strong* and *Honest*. These set out a clear framework for our behaviours and how we approach our work.

How our activities deliver public benefit

All our activities are carried out in support of our charitable objectives. The core of our work is in supporting people with learning disabilities and those with mental health needs, but we also place a significant focus on investing in communities. We facilitate active

community involvement among people we support and we have been increasing our contribution to the wider health and wellbeing agenda. Recent redevelopment of services in York and Richmond, bringing new community hubs, activities and spaces, are notable examples of our commitment to this place-based approach. These re-designed services promote independence, aspiration and active involvement for people with learning disabilities.

We provide services primarily under contracts with local authorities, the NHS and personal budgets. It is central to our ethos and charitable status that we promote and campaign for the wider public benefit of our beneficiaries in terms of equality and citizenship. 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.

Fundraising

As well as receiving funding from local authorities, we also fundraise by working corporate contacts, grant-giving trusts, supporters and staff to organise and co-

ordinate events and activities both in the local communities where we operate and at major charity events. Apart from communicating with people who have supported us in the past, we use neither direct marketing nor external third parties to raise funds. Income from fundraising represents less than 1% of total income and there have been no complaints about fundraising activity during the year. Many donations relate to specific local community projects and we ensure that expenditure is restricted to these projects and is spent within a reasonable period. We review changes in guidance and legislation related to fundraising, such as the Fundraising Regulator's Code of Fundraising Practice and the changes in GDPR, and we are working to ensure that we are fully compliant.

Code of Conduct

During the year the Charity Commission revised its Code of Governance. United Response subscribes to the principles & practice set out in the code and will be carrying out a periodic self-audit of its governance during 2018/19.

Beneficiaries

- Adults and young people with learning disabilities and mental health needs, who are supported by United Response (more than 3,000 individuals)
- Their families, carers and advocates
- The wider disability and mental health community
- The wider communities we work in, especially vulnerable people within them.

Supporting people with learning disabilities and people with autism

We provide a range of support services including:

- Supporting people to live where they choose
- Supported employment and volunteering opportunities, including training
- Many people we support are on the autistic spectrum. Our staff are trained in recognised techniques, so that they can provide effective support
- Life skills – supporting people to develop interests, hobbies and skills, including skills to help manage their own home and money
- Support to develop and maintain relationships with friends and family;
- Accessible communications to support people to speak up

- Advocacy – working with people so they can speak for themselves.

Supporting people with complex needs

- We have particular expertise in working with people with complex needs including those with profound learning disabilities.
- We also support a growing number of people with learning disabilities who also experience mental health difficulties.
- A large proportion of the people we work with have complex behaviour support needs, and we support them to live fulfilled lives as part of their community. We use active support and positive behaviour support techniques.
- Many of the people we support have additional physical or sensory support needs.
- We support people with a range of physical disabilities including impaired motor skills, and profound and complex physical disabilities.

Supporting people with mental health needs

- We support people with a range of mental health needs.
- We provide a variety of mental health services, working in partnership with clinical partners, including community support and outreach, supported living,

supported housing and vocational training.

- Our emphasis is on wellness and recovery, and where possible we focus on early intervention to help prevent more serious problems from occurring.

Supporting young people in transition

- We provide support to young people in transition to help them explore their options, try out new activities, build their skills and to plan for a future of increasing independence.

The way we work

Our approach focuses on getting to understand people's aspirations and helping them to achieve them. We support people to exercise choice and control and empower them to contribute to their own communities.

We have a strong track record of supporting people to build their independence. We build our approach around the preferred routines and activities of each individual we support, supporting people as active citizens who have the capacity to be engaged in a range of activities. This approach is called 'active support' and is underpinned by our person-centered ethos. This helps our staff to support people to take control of their lives and to

The way we work (continued)

develop through new experiences.

We recognise our primary duty is to ensure the people we support remain safe and well, and are protected from abuse. We have procedures for our staff to work with local safeguarding boards and the Care Quality Commission (CQC) to safeguard the people we support. These sit alongside a range of control measures and processes such as risk assessment, person-centred planning and positive behaviour support planning. Our guidance to staff includes a whistle-blowing

policy and detailed guidance on the Mental Capacity Act and Deprivation of Liberty (DOLS) legislation and this is supported by regular staff training and highlighting safeguarding practice in internal briefings. We encourage and welcome the involvement of the families and friends of people we support. This in itself acts as a safeguarding measure, alongside being an essential aspect of the quality of life of people we support.

Trustees' Report

In all of the 40 plus years of United Response's existence, this last year represents the most demanding one that the organisation has experienced. As I come to the end of ten years of chairing the Board of this fantastic organisation, the expectations upon both trustees and staff have never been greater.

We are not unique in that experience as we, in many ways, are a good example of what the whole of the adult care sector has had to cope with since 2010. The austerity measures that have continuously been imposed on the public sector have taken their further toll this last year with the increased struggle to close the gap between the ever-rising real costs experienced by United Response and the ability of Local Authorities to fund those costs. However, the organisation has worked hard to improve its underlying financial performance and is implementing plans to seek to make further progress in 2018/19.

Notwithstanding these substantial challenges the staff of United Response have once again risen to the challenge led by our very able Chief Executive, Tim Cooper. The Board is truly grateful for all the work that is carried out with such sensitivity and dedication by all

the 4,000 plus of United Response's staff.

It is indeed our front line staff that are so important in ensuring that we turn our values and aspirations for high quality support into a reality. We continue to look closely at the experience of the people that we support and the feedback from carers and families. We are very pleased that this year saw our highest ever set of ratings from the Care and Quality Commission with over 94% of services being rated as 'Good'. Our merger with Robert Owen Communities has proved to be very successful and its services are now a fully integrated part of the organisation.

2017/18 saw the second full year of our current Corporate Strategy to provide high quality, person-centred and innovative services. It represents two years of significant achievement even though the 'threats' to the sector have been greater than was envisaged two years ago. Much has been achieved in driving forward good outcomes for those we support and in progressing the development of United Response. The continuing uncertainty that remains over the resolution to the major financial problem of the 'Sleep in' issue considerably hampers proper financial

planning across the whole of the sector that this affects.

United Response has played a key role along with colleagues across the sector in lobbying Government on the 'Sleep-in' issue. Together we have been pressing MP's from all political parties to highlight the impact of a £400m back-pay bill on a financially battered sector. This unexpected and potentially significant cost could have very damaging implications for the whole learning disability sector. The Court of Appeal has ruled that the National Living wage does not apply to sleep – ins and we wait and see the outcome of any further appeal.

This February saw the conclusion of the inquest into the very sad death of Richard Handley, in 2012; a young man we had supported for 13 years. We were one of a number of organisations involved in his care and the one charged with providing his day to day support. The Coroner concluded that, whilst all involved acted in good faith, collectively we failed Richard. For the last five years we have continuously sought to make improvements to the support we offer and to be open and honest about our role. Richard was deeply cared for by the staff of United Response and our thoughts continue to be with his family and loved ones.

Trustee's Report (continued)

I finish my period as Chair knowing that going forward from a governance and management perspective, United Response has never been in better hands. The expectation that central government has placed upon the sector by, no doubt, a mixture of planned and unplanned action, could be seen as nearly overwhelming but I am absolutely confident that the Board and management of the organisation are fully up to the task and will take United Response to even greater heights.

I would like to say many thanks to my fellow trustee Sue Jagelman who retired after many years of service in July this year. Malcolm McCaig, an experienced non-executive, who takes on the role of Chair in July 2018 inherits a truly wonderful organisation. I wish him, my Board colleagues, the Executive and indeed all the staff, the very best for the years to come.

Maurice Rumbold
Chair of the Board
24th July 2018

United Response in 2017/2018 at a glance:

- Across England and Wales we support more than 3,000 people and employ more than 4,000 staff
- We contract with 80 local authorities and Clinical Commissioning Groups
- The value of services provided grew to £92m in 2017/18 with the annualised value of new work in 2017/18 being £5.7m.

How does the Care Quality Commission (CQC) rate our services?

We have:

- 72 registered care services, 65 have been inspected under the CQC framework
- 37 care homes

- 35 supported living/domiciliary care services
- 94% of services are rated as “Good”

What do people we support and their families think of our services?

- 97% of people we support feel safe when with their support staff
- 92% of people we support say their support workers listen and talk to them
- 91% of families rate the quality of our support as good or excellent
- 86% of families think that staff treat people with dignity and respect

- 74% of families think that their relative has the maximum independence possible and is supported to feel safe

Online audiences

- There were 163,811 unique visits unitedresponse.org.uk
- 1,457 people made contact through our website to ask for support for themselves or someone they know
- We welcomed 14.3% more followers to our total social media audience (Facebook and Twitter)
- Our social media content was seen 2,828,562 times
- People engaged with our social media content 62,960 times

Strategic Report

Having been agreed in 2016, the United Response corporate strategy is now firmly embedded in work across the organisation. At 31 March 2018, we had reached the end of the second year of it being implemented.

The strategy allows us to continue to hold true to our values whilst providing high quality, person-centred and innovative services in an increasingly difficult and challenging economic climate. Over the past two years, it has enabled us to focus on securing our financial sustainability, driving forward good outcomes for those we support, and developing the organisation.

In 2017/18, we set out to remain financially sustainable to allow us to achieve good outcomes for the people we support. We wanted to maintain our positive reputation as a leading provider within the sector to attract and retain talented staff who deliver our objectives consistently and in a way which allows our innovative services to grow.

In last year's Annual Report and Accounts, we revised our performance reporting to be more transparent in demonstrating our successes against the targets we had set. We are committed to this continued transparency, and as a result our key objectives and achievements against these plans for the year ending 31 March 2018 are detailed the pages which follow.

Legend:



Fully met





Partly met



Not met

ENABLE THE PEOPLE WE SUPPORT TO ACHIEVE GOOD OUTCOMES

<p>We said:</p> <p>We would deliver a high quality and safe service to the people we support and ensure that we are compliant with CQC and other regulations, achieving the highest possible ratings</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • We continued to revise and update our policies and processes under a Good Governance framework, focusing on high standards of care, transparent responsibility and accountability within an ethos of continuous improvement. • We completed our fourth annual satisfaction survey of people we support and their families. They told us that: <ul style="list-style-type: none"> - 97% feel safe when they are with their United Response support staff - 92% say their support workers listen and talk to them - 91% of families rate the quality of support as excellent/good - 86% of families think that staff treat people with dignity and respect - 74% of families think that their relative has the maximum independence possible and is supported to feel safe • Our CQC overall inspections ratings continue to show a positive result against national averages. At 31 March 2018, 65 of our 72 registered services had been inspected. This resulted in the following ratings: 0 Outstanding; 61 Good; 4 Requires Improvement; 0 Inadequate. • Seven services are currently awaiting CQC inspection, four of which we welcomed under the ROC merger last year. When most recently assessed, three of these services were each rated as "Outstanding".
<p>We said:</p> <p>We would ensure that our practice is person-centred, reflects best practice and is readily responsive to the individual's (changing) needs and aspirations</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • We learnt valuable lessons from critical and crisis issues affecting those we support, including from the inquest into the death of Richard Handley. As a result, we have: <ul style="list-style-type: none"> ○ Created and introduced a new Root Cause Analysis (RCA) system to identify the origins of investigated deaths ○ Updated our policies to reflect the changes and requirements ○ Delivered RCA training to key staff across United Response to ensure widespread knowledge of the process and how to implement it • We began working more closely with other organisations to share information and ensure best practice across the sector. This includes sharing work on policy, procedure, quality and safety with Dimensions, the Ann Croft Trust and the Voluntary Organisations Disability Group (VODG). • We recruited three internal auditors to provide support and guidance to services and teams. Their work includes conducting reviews of healthcare files to enhance staff knowledge of key conditions and issues. • We developed new interactive e-learning training on person-centred thinking to help staff to learn about how to continually improve the support they provide. • We introduced a Foundations of Good Support guide which gives steps on how support should be assessed and developed to help identify where improvements should be made.


		<ul style="list-style-type: none"> We have evaluated the impact of new Positive Behaviour Support training and conducted an audit of the use of psychotropic medication in our support. These will be used to update our policy and develop a clear plan towards reducing the use of restrictive interventions. <p>We laid the groundwork for a Customer Relationship Management system to ensure organisational oversight of audit, safeguarding, incident and health and safety issues among others.</p>
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MAINTAIN OUR DISTINCTIVE REPUTATION AS A PROVIDER AND INFLUENCER



<p>We said:</p> <p>We would review and assess legislative and policy developments to assess their implications for United Response and influence for broader policy change</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> We and coalition partners amplified our calls on Government to change its stance on payment for overnight sleep-in shifts. We fronted the #SolveSleepIns Alliance, an unprecedented partnership between not-for-profit and private social care organisations, to rally providers and lobby MPs from Government and the opposition to highlight the impact of the £400m back-pay bill on an already fragile sector. We helped influence Government to drop significant extra fines for unpaid sleep-in shifts, while we and other sector figures successfully negotiated a three-month suspension of retrospective HMRC action to give Government time to audit the potential impact of the bill. Ahead of the 2017 snap general election, we lobbied all political parties on pressing sector issues to push social care up the agenda. This included highlighting the value of good social care, the power of employment for people with learning disabilities and encouraging those we support to exercise their right to vote. At the 2017 Conservative Party Conference, our fringe event on employment was the most popular among MPs. It highlighted poor job opportunities for those with learning disabilities and suggested innovative solutions around embedding health, social care and employment. We continued our successful track record of creating and promoting accessible information on politics and current affairs for people we support. This includes our landmark quarterly Easy News publication, which remains the only dedicated accessible news source for people with learning disabilities.
<p>We said:</p> <p>We would continue to provide people we support with access to</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> Conducted a review of property-related health and safety, taking action to ensure that all locations where the people we support live are safe – in matters such as gas and electrical safety, but most significantly in fire safety and through Fire Risk Assessments of our homes. Developed an asset management strategy to enable us to invest in our properties to ensure they are comfortable, safe and well-managed.

a comfortable, good quality and safe home		<ul style="list-style-type: none"> Added over 50 additional bed spaces to our stock from the ROC merger, taking the overall number we manage to more than 100. As a result, our rental income increased by 16% to £1.99m. Continued to work with a range of housing development partners to create new housing options for those we support. Worked with partners Resonance, a social impact investment organisation, to research and demonstrate the viability of using social finance to fund new housing for people with learning disabilities.
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ATTRACT AND RETAIN TALENTED STAFF WHO DELIVER OUR AIMS AND OBJECTIVES

<p>We said:</p> <p>We would recruit the best people to work for us, whilst motivating, developing and retaining our staff</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> Our new People Strategy, which was agreed in 2016/17, is now in progress and will be delivered to a conclusion over the next two years. The first year of the strategy has already seen a number of positive changes and groundwork laid for the future in relation to United Response staff, recruitment and personal development. This includes: <ul style="list-style-type: none"> A new recruitment brand using real-life stories and case studies to bring United Response to life to existing and future stakeholders and staff A new face-to-face induction day to fully integrate new staff and help drive down turnover of those within their first year of service An extensive review of our Learning Management System to improve how we manage and record essential training for staff A new careers pathway framework to help employees in their personal development and prospects Improvements to management and leadership development, business support, staff wellbeing and engagement. We conducted an anonymous staff survey which has resulted in a number of actions and positive outcomes across the organisation. The survey was completed by nearly 1,000 staff across England and Wales. Staff said they would recommend United Responses as a good place to work and described us as value-driven, creative, responsive, strong and honest. Outcomes from the survey include a leadership development programme, more visible leadership visits to services and improved communication and content sharing. We built on the recent positive work of our employee consultative forum, United Voice, and there has been good dialogue and debate with staff representatives on a number of key issues. <p>Despite reducing staff turnover and improving retention we recognise that there is still opportunity to do better and we will be implementing plans to enable this during the year ahead.</p>
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GROW AND DEVELOP OUR SERVICES

<p>We said:</p> <p>We would develop new services; increase the number and range of people we support.</p> <p>Ensure we anticipate and adapt to new markets changing commissioning arrangement and new service models</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • Secured new business with an annualised value of £5.7m. • Successfully developed our business in key geographical regions including Cornwall, Richmond upon Thames, Kent, York and Nottinghamshire. • Achieved a bid success rate of 69%, including a strategically important bid in Richmond. This particular bid resulted in a significant inbound transfer of local staff, giving us the opportunity to support many more people in the area. • Increased our activity within key strategic themes such as young people, employability and training, while all four regional divisions of operation (SW, SE, NW and NE) exceeded their growth target for the year. • Pursued a wider range of funding streams including from grants, trusts and the Education & Skills Funding Agency. From DWP, we secured a significant increase in income to deliver pilot schemes in Greater Manchester, Merseyside and York. • Successfully welcomed ROC services into United Response. Planned future work is aimed at building on our successful wellbeing, training and employment offer in Devon and Cornwall, with a view to developing a similar offer in other parts of the country.
<p>We said:</p> <p>We would build our capabilities and reputation as a Supported Employment provider</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • Secured a number of new contracts including five dedicated employment training programmes to be delivered across the NW region by people with experience of working with those with learning disabilities and people who would otherwise be lost in the job-seeking system. • Chosen as one of nine organisations to run a supported employment project in York in partnership with the city council. • Expanded our internship programme in Cornwall following a successful first year. • Laid the groundwork for future work in education, training and apprenticeships in line with the organisation's Supported Employment Plan. • Commissioned an independent consultant with experience in the field to explore what positive outcomes United Response could deliver in its attempts to become a trusted partner for employers, commissioners and referral agencies.

ENSURE THAT WE REMAIN FINANCIAL SUSTAINABLE

<p>We said:</p> <p>We would achieve our financial targets</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • Our underlying operational deficit was £ £0.1m lower than in 2016/17. • Cash flow was in line with plan at a net operational outflow of £1.3m in the year.
<p>We said:</p> <p>We would secure additional income from Commissioners in order to manage the impact of the National Living Wage (NLW) rise and the higher payments necessary for on-going sleep-in activities</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • We launched a comprehensive campaign to negotiate higher rates from all local authorities in order to meet the anticipated rises due to the increase in the National Living Wage to £7.50 from £7.20 and our decision to ensure that all staff undertaking sleep-ins from 1 April 2017 were paid at least the National Living Wage for all hours in total. • The overall impact on the cost base during the year was £5m and the negotiations with funders ensured that approximately 75% of these rises were recovered through higher rates.
<p>We said:</p> <p>We would influence Government to eliminate risk of backdated payment and penalties on overnight care shifts</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • United Response has played an influential role in the care sector ensuring that government, at both a national and local level, are aware of the scale and seriousness of the issue and that this results in funding to ensure that the continuity and quality of future care is not compromised.
<p>We said:</p> <p>We would maximise efficiency across the organisation</p>		<p>In 2017/18 our achievements were:</p> <ul style="list-style-type: none"> • We have improved our direct contribution level by 1% from planned levels and our overall staff costs were lower than budgeted. • Management of operational margins is now a clear priority for operational management with all services focusing on achieving an adequate financial return without compromising quality.

Plans for future periods

United Response has a corporate strategy for 2016-2020 which sets out five clear objectives:

1. To enable people we support to achieve good outcomes
2. To develop our people and culture
3. To have a distinctive reputation as a provider and influencer
4. To continue to grow and develop the organisation
5. To ensure that we remain financially sustainable

Within this strategy, we've identified four service area priorities for organisational growth and development. These are:

- **Transforming Care:** To provide support to more people with complex needs, in line with the Department of Health's *Transforming Care* agenda, building on our excellent reputation as a provider in this area
- **Young People:** To expand our offer to young people including developing our pioneering student housing model and supporting students at mainstream colleges and universities
- **Mental Health:** To grow and develop our support to people with mental health needs beyond our current core geographies
- **Supported Employment:** To increase the scale and reach of our specialist supported employment services and support more people to access work opportunities through our housing-based services.

To achieve these priorities, we are working towards strengthening our capacity and capabilities in the following five areas to underpin our delivery:

- **Practice Development:** Enabling our staff to be confident and competent in delivering our *active support* and *positive behaviour support* approaches is fundamental to our success. Continued investment in a broad range of learning and development is critical.
- **Commercial Management:** In a climate of continued 'austerity', we will ensure that our managers are skilled and confident to make good financial decisions, are able to assess and manage business risk and pre-empt changes in our local markets.
- **Housing:** Having access to a safe and comfortable home is an integral part of the service we offer. In order to respond both to the needs of people we support and new business opportunities, we need to increase the speed and scale of access to good quality housing.
- **Technology and streamlining:** Ensuring that our business systems enable us to deliver cost effective finance, HR, ICT, Marketing and Communications services 'right first time' across a widely dispersed, complex organisation. We will also enable people we support to access 'personalised technology' enabling them to exercise greater control over their lives at reduced cost.
- **Working with others** – partnership working with people we support, families and other agencies to develop and deliver both our operational support and our campaigns.

Our focus in 2018/19 will be threefold:

1. **Financial sustainability:** Addressing the funding challenges facing the social care sector and ensuring the on-going financial stability of the organisation.
2. **Consistency of service quality:** Ensuring that we deliver consistently good services across the organisation and that to support this that we are able to recruit and retain high quality staff.
3. **Building on existing organisational strengths:** Launching our new change programme, United Futures, to develop new ways to deliver services, make use of personalised technology, increase efficiency and tackle financial challenges.

Financial review

The development and performance of the charity's business during the financial year and future outlook

The external financial environment has continued to be difficult with the challenges of the National Living Wage (NLW), the changes in the sector affecting Sleep In payments and the ongoing climate of austerity that continues to affect all our main funders. Despite the economic climate we have been successful in gaining new work with an annualised value of £5.7m (2016/17 - £6.3m). This was offset by the ending of contracts with a value of £4.2m (2016/17 £3.8m) due to the lack of financial viability or a change of circumstances of the people supported.

Following the introduction of ROC as a wholly controlled subsidiary in April 2016, the work to fully integrate the organisation has continued with the full migration of the ROC systems into the UR environment scheduled for completion in 2018/19. As of 1 April 2017 all business operations, staff, assets and liabilities of ROC, and its subsidiary ROCH, were transferred to UR under the terms of two separate Transfer Agreements. The process to commence the dissolution of ROCH was approved in July 2018 with ROC retained as a dormant entity.

Due to the Court of Appeal's clear decision in the case of Unison vs. Royal Mencap in July 2018 the possibility of there being a significant back pay liability to staff, both past and present, who had undertaken sleep-ins in the five years and three months to March 2017 has now receded. However, whilst the prospect of an appeal to the Supreme Court remains a possibility, a contingent liability is considered to exist, and further details are shown in note 26.

The financial position of the company at the end of the year

The charity recorded a decline in reserves of £1.9m (2016/17 – an increase of £3.3m of which £4.1m arose from the merger with ROC).

The total unrestricted operations, through both general and designated funds, but before the effect of gains on investments, recorded a deficit of £1.8m (2016/17 – a deficit of £1.9m before the effects of the donation of net assets arising on the merger with ROC).

Overall income, grew by £3.2m to £92.8m in 2017/18 (2016/17 - £89.6m) due primarily to a rise in rates paid by funders to mitigate the effect of cost increases incurred relating to the rise in the national living wage by 4.2% to £7.50 and the decision to ensure that all hours undertaken by staff, whether on normal or sleep in activity, were compensated at least at the national living wage from 1 April 2017. The principal sources of funding continue to be through contracting with local authorities in England and Wales for the provision of statutory services for clients with learning disabilities in a supported living or residential care environment. In 2017/18 this was £85.5m or 93% of total incoming resources before assets arising on amalgamation (2016/17 – £82.2m or 92%).

Total expenditure increased by £3.0m to £94.5m (2016/17 - £91.5m) over the same period. Designated funds of £0.4m (2016/17 - £1.1m) were utilised primarily to advance the integration of ROC systems and processes into United Response.

Direct charitable expenditure has increased by £3.2m to £81m (2016/17 - £77.8m) due mainly to increasing staff costs. Overall support costs fell to £13.5m (2016/17 - £13.6m) following the merger of UR with ROC.

Voluntary income amounted to £0.4m in the year and was £0.1m lower than the previous year due to a substantial legacy being recognised in 2016/17. The costs of raising funds also fell to £0.1m (2016/17 - £0.2m).

Total net assets fell to £28.1m (2016/17 - £30.1m). Net current assets at 31 March 2018 were £10.9m (31 March 2017 - £5.7m) due primarily to the reclassification of cash not held on deposit from investments to current assets.

United Response in Business Limited had gross income of £651k in 2017/18 (2016/17 - £560k) and recorded a breakeven position (2016/17 – Nil). The company's main objective is to provide employment opportunities for people with learning disabilities or mental health needs by running social enterprises. The business activities of both ROC and ROCH were amalgamated with those of United Response from 1 April 2017 but continued to grow during the year.

Investment Policy and Performance

The trustees have broad investment powers, set out in the Memorandum and Articles. The Board establishes the charity's investment policy and reviews the target return annually. The management of the investment portfolio has then been delegated within clearly defined terms of reference to the Investment Group, which reports regularly to the Finance and Resources Committee. This Committee advised the Investment Group of any changes in business needs during the year so that action can be taken accordingly. The group does not have a formal investment policy with respect to social, environmental or ethical investing.

Due to the size of the possible sleep in back pay liability facing the organisation during the year, the board of trustees, through the Finance and Resources Committee, decided in February 2018 to liquidate the investment portfolio, in order to mitigate the risk that a significant deterioration in market conditions could eliminate the gains made on the portfolio and lower the reserve base available to fund the issue. The liquidation process was completed in early March 2018. The cash proceeds raised have been invested in line with the organisation's Treasury policy. The charity's investment policy, until the date of liquidation, was based on an absolute return approach. The target during 2017/18 was to achieve UK RPI plus 1% with this measure averaging 4.3% for the year ended 31 March 2018. The investment portfolio was allocated across a limited number of widely diversified specialised funds, together with a small number of direct holdings in corporate bonds, with any amounts not invested being held as cash.

During the year market conditions proved more challenging and volatile than in 2016/17 and an overall return of 2.0% was delivered, inclusive of liquidation costs of approximately 1.5%, compared to the internal target of 4.3%.

Changes in Fixed Assets

Changes in the charity's fixed assets are shown in notes 10 and 11 to the accounts.

Reserves

United Response's free reserves represent unrestricted general funds which have not been designated for a specific purpose and are therefore available for use within the charity's objects.

United Response needs reserves to protect it against risks and to ensure financial sustainability, including an adequate level of working capital to provide a financial buffer. Reserves also enable us to take advantage of opportunities to develop our activities, and to enhance support to people, over and above that which we can provide from income received under contract.

In 2016-17 the trustees carried out a review of the reserves policy of the organisation and agreed to adopt a policy based on the actual quantifiable risks facing the organisation that, should they occur would diminish the free reserves of the organisation. This replaced the previous policy of setting the targeted free reserves as two months' of unrestricted expenditure. At 31 March 2018 the target reserve range is £4.3m to £23.4m and United Response had free reserves of £19.5m (2017 - £20.9m) which is within the range considered necessary. The upper range of the target range is currently significantly affected by the risk that remains that a significant back pay liability relating to sleep-ins may materialise and, should it eventually do so, this risk is estimated at £16.8m and included in full in the upper target limit of £23.4m. Without the inclusion of this major risk, the necessary reserve range would be £4.3m to £6.6m based on the remaining risks.

The estimated cost needed to effect an orderly winding up of the organisation is estimated at £10m. The trustees consider such an event a remote possibility as the majority of services supplied are of a statutory nature and staff would be transferred under TUPE regulations to an alternative provider, thus significantly reducing the exposure. Additionally, in the event of a winding up, the freehold property would be sold, which is currently held at a net book value of £6m within a designated reserve.

The trustees have total designated reserves in individual funds for specific purposes. As at 31 March 2018 the total designated reserves level was £7.5m (2017 - £8.2m) and during the year £0.4m of funds brought forward were utilised. Utilisation of designated funds during the financial year mainly included work the costs associated with the integration of ROC and ROCH systems into United Response following the operational merger. The utilisation of these funds are detailed under note 19.

United Response has £1.1m in restricted funds at 31 March 2018 (2017 - £1m). Further details of these funds are included under note 17.

Key Risks & How We Manage These

United Response works to ensure that we effectively identify and manage risks to the organisation, to the people we support and to our colleagues. The risks and mitigations are recorded in the corporate risk register, which is produced and managed by the Executive Team and regularly reviewed by both the Audit and Risk Committee and the Board of Trustees. The Executive Team has responsibility for assessing the probability and impact of risks, for ensuring that appropriate mitigations are in place and for reporting on this to Board and Committee. As a devolved and growing organisation working within the regulated and high risk supported living sector, the organisation has developed a risk assurance framework to ensure that the wide range of risks to which the organisation is subject to is being monitored appropriately.

In 2016-17, a major risk was recognised concerning the impact of the sleep-in back pay liability. With the July 2018 Court of Appeal judgement in the case of Unison vs. Mencap now determining the legal position, the prospect of this risk materialising has diminished.

The main areas of specific risks identified and the key approaches to mitigation are outlined below.

The cost base rises faster than funding levels

The organisation continues to be faced with significant cost rises on an annual basis. The rise in the NLW in 2018/19 and the need to award all staff a cost of living award, will impact the cost base by £2.8m in the year. This is combined with the introduction of enhanced rates of Sleep In pay from April 2017 that added approximately £3.5m to the underlying salary total.

To mitigate these significant cost changes United Response has introduced a systematic review of contract rates and requested funding levels from local authorities that ensures the financial sustainability of all contracts. The 2018-19 exercise is now underway with a higher recovery level targeted.

As it is not expected that all cost rises will be matched by funding increases, the organisation has launched specific actions in the following areas:

- Specific business reviews on a funder by funder basis to ensure that they are maximising financial contribution without risking the quality of the service offered.
- The introduction of a targeted gross contribution that all services need to be able to deliver before the allocation of management costs.
- Where funding increases are inadequate and/or mitigating cost reductions cannot be found, then being prepared to give notice on financially under-performing contracts.
- A review of service delivery models to ensure that efficient approaches to delivery are adopted including how technological solutions can be used.
- A review of how business support services are delivered to the operational front line with a revised structure to be agreed in 2019 assuming adequate investment funds are available.

- The corporate structure is being reviewed to ensure that services are contracted in a tax-efficient manner.

Whilst the detailed initiatives are being introduced and, before the full impact is delivered, the organisation is fortunate to have a strong and stable reserves base of which only a small element is restricted. The underlying unrestricted reserve base at 31 March 2018 was £20.1m (2017 - £20.9m).

Insufficient liquidity in the organisation

Due to the challenges posed in ensuring that the organisation is able to make a surplus from its core activities, combined for most of the financial year under review with the potential large pay out required for a back dated Sleep In liability, there are pressures on the organisation's cash flow with a risk that there is an inability to meet all demands from the current liquid assets held. In order to mitigate this, the organisation has:

- Introduced regular medium-term scenario planning, the results of which are reviewed by the executive team and trustees.
- Liquidated its investment portfolio thus eliminating the risk that market movements could eliminate a percentage of those assets.
- Focused on improving the days' sales receivables level held in trade debtors and lowering the working capital needed within the organisation.
- Closed loss making services and, where property is owned, marketed those properties to increase cash holdings.

Staff recruitment, retention and engagement

Recruitment and retention levels, although improving during the year to sector average or better than levels, continue to be higher than aimed for, leading to increased staff costs in the form of high agency staff utilisation and higher levels of staff leaving shortly after joining. Staff engagement levels are less than anticipated with a lower than hoped for response rate in the staff engagement survey. To improve performance in this area, the organisation has progressed several initiatives including:

- A launch of a new Employer Brand to boost the effectiveness of recruitment campaigns.
- The adoption of enhanced rewards for additional hours worked from 1 April 2018 and continued external benchmarking of pay levels.
- The continued active engagement of the staff consultative body, United Voice, which is proving effective in channelling staff opinion.
- Ensuring that senior management are increasingly visible within the organisation through a programme of leadership visits to a significant proportion of our services.
- The introduction of local action plans based on the feedback obtained from the employee engagement survey.
- Implementing and testing staff recognition approaches across central and operational services.
- Development of career pathways and investment into leadership development for staff across United Response.

Ensuring people we support remain safe and well

Ensuring that people we support are able to live full and valued lives while keeping safe and well, and that significant safeguarding incidents are avoided, are inherent risks in our work and is managed through ensuring that staff are well trained and supported, and work within a framework of clear policies and procedures backed up with relevant mandatory training and through the use of individual person centred plans and risk assessments. The revised Quality Assurance system is now fully embedded within the organisation with the Operations Committee providing trustee oversight. Relevant management information and Key Performance Indicators (KPIs) are reviewed on at least a quarterly basis and a software based reporting system is due for introduction later in 2019. Additionally, a team of independent internal auditors was recruited in 2017-18 in order to ensure that services are scrutinised to external review standards.

Capacity to manage major change

As a large and devolved organisation working in a low margin service sector, there is a risk that there is insufficient management capacity to oversee the range of change projects required to develop the organisation, with the risk that change programmes suffer from a combination of not meeting expectations, delays and cost overruns. In order to overcome these issues, the main actions introduced to control this risk are:

- The organisation is focused only on key objectives centred on operational quality and financial performance and sustainability.
- Change projects are managed with an overall programme framework to ensure that an appropriate overview is obtained, common procedures are used and that all project related decisions are subject to appropriate governance.
- That appropriate external interim and corporate resource is utilised as necessary.

Diversification

Should the potential drawdown on reserves occur, that would result from the Sleep In back pay liability crystallising, there would be limited and lower than hoped for levels of liquid assets available to fund the expansion into alternative income streams, in order to reduce the dependency on the core learning disability support activities. Reducing this dependency is a strategic aim. In order to mitigate this situation, the organisation is:

- Planning to review its current strategy in 2018-19 in order to focus on areas where sufficient expansion funding is available.
- Initiate partnerships in terms of service delivery and funding provision to support its strategic aims.
- Plan for rebuilding the reserve base in order to allow for future investment spending.

Other financial risks

Credit risk is considered low by management due to the overwhelming majority of the customers being local authorities. Payment delays are usually caused by inaccurate invoicing due to a combination of changed rates or clients who have moved between services. There is no exchange risk as all services are within the UK and minimal overseas procurement. Liquidity risk is controlled primarily through the management of reserves and investments as detailed separately in this report.

List of supporters for 2017/18

Trusts, Corporates & Individuals

Charles Brotherton Trust
The Clothworkers' Foundation
Ernest Kleinwort Charitable Trust
One Stop Carriers for Causes
The Tesco Bags of Help Programme
The Kirschel Foundation
The Clare Milne Trust
The Screwfix Foundation

Legacies

From JJ and RM Congdon
From Eaton Smith LLP

Challenge event participants

Si-am Juntakereket – 3,000 mile Australia
Cycle
Rhianne Wilding – Tough Mudder
Carol Clark – Surrey Bacchus Marathon
Catherine Wright – Bournemouth Marathon

Ride London 2017

Tim Cooper
Lola Phoenix
Jerome Walls

London Marathon runners 2017

David Berry
Kevin Berkowitz
Darren Cooper
Sam Darke
Richard Edelmuth
Jennifer Fissenden
Keri Flanagan
Nancy Fowler
Andrew Hornblow
Sean Katz
Amit Katz
Alex Kelly
Kate Knight
Chelsea Layzell
Sarah Marshall
Taras Mencinsky
Wayne Miller
Christopher O'Neill
Anna Palmer
David Schulhoff
Graham Taylor
Pamela Wiggins
Adam Woodward
Emma Coe

London Marathon runners 2018

Polly Aitman
Julie Bell
Niki Bradfield
Paul England
Stephen Ferguson
Emma Green
Jonathan Grossman
Bradley Hayden
Liz Horsfield
Kate Knight
Seam Leal
Charlotte Northmore
Louise Norton
Christopher Pinch
Stephen Pinnington
Niamh Smith
Ruth Spencer
William (Ed) Thomas
Charlotte Vallis
Olivia Zych

Other

We would also like to say a big thank you to the Duke's Hotel for donating the use of their Marlborough Suite.

Structure, governance and management

The charity is incorporated as a company limited by guarantee and is governed in accordance with its Memorandum and Articles of Association. United Response in Business Limited is a wholly owned subsidiary of United Response. Robert Owen Communities and its subsidiary, Robert Owen Communities Housing, became part of United Response in 2016/17.

The organisation is governed by a board of trustees, led by the Chair.

The trustees, who have the powers and obligations of Directors under the Companies Acts 1985 and 2006, have ultimate responsibility for United Response's leadership and strategic direction, for its stewardship, overall financial and organisational control, monitoring progress and ensuring compliance. The Board also has responsibility for protecting the reputation and values of the organisation, sets the long term vision, and holds the Chief Executive and Executive Team to account whilst maximising their performance for delivering United Response's policies, strategies and objectives.

The process for recruiting new trustees is to advertise the positions, accept applications and interview a group of shortlisted candidates. People we support participate in these interviews. We aim to achieve a balance of expertise and knowledge on the Board and also to ensure that all parts of society are represented. Once appointed, trustees undergo a thorough induction process and receive updates and information on a regular basis.

During the financial year, the Charity Commission revised its Code of Conduct. United Response subscribes to the principles set out in the code and will be carrying out a periodic audit of its overall governance during 2018-19 to ensure as complete compliance as practical.

The board of trustees meet at least four times per annum and are supported by three sub-committees.

The Finance and Resources Committee has oversight of the key financial aspects of our work which stem from the financial, HR, investment and other resource related strategies. The committee oversaw the Investment Group that managed the investment portfolio on behalf of the

organisation until the liquidation of the investment portfolio in March 2018.

The Operations Committee focuses on quality and safety of services to the people we support, using and interrogating a wide variety of data sources to triangulate and provide assurance. Its purpose is to scrutinise information that assures trustees that we are providing safe, high quality, effective services consistently and routinely, that we meet regulatory requirements and that we are providing best practice models wherever possible that reflect and involve the views of the people we support, their families and carers.

The Audit and Risk Committee has oversight of external audit and of internal controls across United Response including quality assurance systems and health and safety arrangements.

Each committee is able to appoint up to two co-optees/specialist advisors to enhance their work, should the committee chair and committee members feel this would add value to the work of the committee. This also provides us with greater flexibility enabling us to draw on a broader range of skills and involve advisors without them having to assume wider governance responsibilities.

Remuneration of the Executive Management Team

The Finance and Resources Committee has responsibility for overseeing the pay and reward of the Chief Executive and Executive Directors. The Committee undertakes periodic benchmarking, using external advice, to ensure that pay and reward of senior staff is appropriately reviewed against comparable organisations in the charitable sector and is proportionate to the pay and reward of staff overall in the charity. The Committee reports its findings to the board of trustees.

Equality

United Response is proud of the support it provides through a diverse workforce matched to the communities in which we support. Through clear engagement, training and leadership our workforce is adept at being inclusive and recognising that diversity brings strength and opportunity for people to achieve their best. United Response works tirelessly to evolve our inclusive culture further through adopting the Disability Confident framework, Mindful Employer charter and actively works to encourage people we support to gain meaningful employment. United Response embeds the

principles of the Equality Act throughout the organisation.

Employee Engagement

Communication to staff is regarded as an important priority within the organisation.

In 2017, we conducted an anonymous staff survey which has resulted in a number of actions and positive outcomes across the organisation. The survey was completed by nearly 1,000 staff across England and Wales.

Staff said they would recommend United Response as a good place to work and described us as value-driven, creative, responsive, strong and honest.

Outcomes from the survey include a leadership development programme, more visible leadership visits to services and improved communication and content sharing.

Other successful and existing employee engagement channels include announcements through the intranet ("the Hub"), a monthly staff briefing email, the Your Link magazine and the encouragement of regular staff team meetings and one-to-one sessions. The Chief Executive cascades a regular monthly briefing of the key developments and issues facing the

organisation. Employees are represented by the United Voice staff consultation group that meets on a quarterly basis to discuss staff concerns with senior management. The group is consulted on all policy changes affecting staff.

Board of Trustees

The trustees who served during the year were as follows:

Chair – Maurice Rumbold - resigned July 2018
Chair – Malcolm McCaig - appointed July 2018
Vice-Chair – David Willis (Chair of Finance and Resources Committee)
Vice-Chair – Helen England (Chair of Operations Committee)
David Aitman (Chair of Audit and Risk Committee)
Honorary Treasurer - Charles Garthwaite
Karie Clifford
Sandra Hannington
Sue Jagelman - resigned July 2018
Bronagh Scott
Alastair Ballantyne – appointed May 2017
William Hodson – appointed May 2017
Katherine Rake – appointed August 2017

Executive Team

United Response is managed by the Executive Team consisting of the senior paid employees of the organisation.

The Executive Team is led by the Chief Executive, who reports to the Chair of the Trustees. The Executive Team through the Chief Executive is responsible for the day to day management and implementation of the strategy approved by the Board and leadership of the organisation, for drawing up and implementing the corporate plan and budget and for proposing any strategic changes not encompassed within the corporate plan. Members of the Executive Team attend board and sub-committee meetings, to brief the trustees on organisational matters.

The Executive Directors of United Response at 31 March 2018 were:

Chief Executive – Tim Cooper
Director of Operations – Sarah Battershall
Director of IT and Business Change – Jill Lanham
Director of People and Communications – Mark Ospedale
Director of Finance and Company Secretary – Jerome Walls

Reference and administrative details

United Response is a Charity registered with the Charity Commission and a company limited by guarantee.

Registered Address & Principal Office	Highland House 165 The Broadway Wimbledon London SW19 1NE	Bankers	Lloyds TSB Bank 3 rd Floor 25 Gresham Street London EC2V 7HN
Telephone Number	020 8246 5200	Auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Website	www.unitedresponse.org.uk	Solicitors	Capsticks 1 St George's Road London SW19 4DR
Email	info@unitedresponse.org.uk		
Twitter	@unitedresponse		
Facebook	facebook.com/UnitedResponse		
Charity Registration Number	265249		Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
Company Number	01133776		Trowers and Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
		Insurance Brokers	Marsh UK Ltd 39 Kings Hill Avenue Kings Hill West Malling Kent ME19 4ER

Trustees' Responsibility Statement

The trustees (who are also directors of United Response for the purposes of company law) are responsible for preparing the Trustees' Report, the Strategic 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.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Crowe U.K. LLP as auditors will be proposed at the annual general meeting.

Approved by the Board of Trustees of United Response on 12 December 2018 including, in their capacity as company directors, the strategic report contained therein, and signed on its behalf by:



Malcolm McCaig
Chair

Independent Auditor's Report to the Members of United Response

We have audited the financial statements of United Response for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for

our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial

statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error.


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

Auditor's responsibilities for the audit of the financial statements

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

taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Tim Redwood
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

12 DECEMBER 2018

UNITED RESPONSE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

(incorporating a consolidated income and expenditure account)

		General Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2017 £'000
Income from:						
Donations and legacies	2	89	-	268	357	508
Charitable activities	3	91,984	-	4	91,988	88,666
Investments	4	486	-	-	486	434
Other		2	-	-	2	6
Total income		92,561	-	272	92,833	89,614
Donation of net assets arising on amalgamation	2	-	-	-	-	4,089
Total income		92,561	-	272	92,833	93,703
Expenditure on:						
Raising funds	5	91	-	7	98	164
Charitable activities	5	93,868	395	164	94,427	91,357
Total expenditure		93,959	395	171	94,525	91,521
Net surplus / (deficits) on operations	7	(1,398)	(395)	101	(1,692)	2,182
Net (loss) / gain on investments		(251)	-	-	(251)	1,096
Net income/(expenditure) before transfers between funds	7	(1,649)	(395)	101	(1,943)	3,278
Transfers between funds	19	243	(243)	-	-	-
Net movement in funds		(1,406)	(638)	101	(1,943)	3,278
Reconciliation of funds:						
Total funds at 1 April 2017		20,877	8,151	1,035	30,063	26,785
Total funds at 31 March 2018	16	19,471	7,513	1,136	28,120	30,063

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

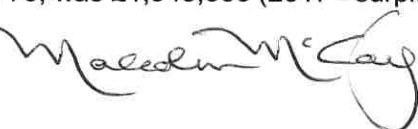
The notes on pages 36 to 59 form part of these accounts.

**UNITED RESPONSE
CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2018**

		Group		Charity	
		2018	2017	2018	2017
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	10	136	253	137	253
Tangible assets	11	6,222	6,514	6,222	4,051
Investments	12	11,979	18,027	11,979	16,557
Total fixed assets		18,337	24,794	18,338	20,861
Current Assets					
Stocks		5	6	4	-
Debtors	13	11,300	10,285	11,303	9,748
Cash at bank and in hand		7,512	2,662	7,456	2,630
Total current assets		18,817	12,953	18,763	12,378
Creditors - amounts falling due within one year	14	(7,946)	(7,207)	(7,895)	(6,472)
Net current assets		10,871	5,746	10,868	5,906
Total assets less current liabilities		29,208	30,540	29,206	26,767
Provisions for liabilities	15	(1,088)	(477)	(1,088)	(477)
TOTAL NET ASSETS	16	28,120	30,063	28,118	26,290
FUNDS OF THE CHARITY:					
Restricted Funds					
Restricted funds	17	932	827	932	588
Restricted property fund	18	204	208	204	208
Total restricted funds		1,136	1,035	1,136	796
Unrestricted Funds					
General Funds	19	19,471	20,877	19,469	20,045
Designated funds	19	7,513	8,151	7,513	5,449
Total unrestricted funds	19	26,984	29,028	26,982	25,494
TOTAL CHARITY FUNDS	16	28,120	30,063	28,118	26,290

These financial statements were approved by the board and authorised for issue on 12 December 2018. The notes on pages 36 to 61 form part of these accounts. The deficit for the financial year, dealt within the financial statements of the parent charity, with company number 1133776, was £1,943,000 (2017 - surplus £3,595,000).

Malcolm McCaig - Chair



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Charles Garthwaite - Treasurer



UNITED RESPONSE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Notes	£'000	£'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,273)	(1,489)
Cash flows from investing activities			
Dividends and interest from investments		486	434
Cash at bank acquired with subsidiary undertakings on business combinations		-	1,672
Proceeds from the sale of property, plant and equipment		16	-
Purchase of property, plant and equipment		(185)	(311)
Proceeds from the sale of investments		10,407	1,894
Purchase of investments		(1,016)	(2,017)
(Decrease) / increase in cash held for reinvestment		(3,585)	21
Net cash used in investing activities		6,123	1,693
Change in cash and cash equivalents in the reporting period		4,850	204
Cash and cash equivalents at the beginning of the reporting period		2,662	2,458
Cash and cash equivalents at the end of the reporting period	B	7,512	2,662

A. Reconciliation of net income to net cash flows from operating activities

Net income for the reporting period (as per the Statement of Financial Activities)	(1,943)	3,278
Adjustments for:		
Donations of net assets arising on amalgamation	-	(4,089)
Depreciation and amortisation charges	571	864
Returns on investments	251	(1,096)
Dividends and interest from investments	(486)	(434)
(Gain) / loss on sale of fixed assets	(2)	7
Decrease / (increase) in stocks	1	(4)
(Increase) / decrease in debtors	(1,015)	691
Increase / (decrease) in creditors	739	(1,000)
Increase in provisions	611	294
Net cash provided by operating activities	(1,273)	(1,489)

UNITED RESPONSE
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2018

Notes to the Consolidated Statement of Cash flows (continued)

	2018 £'000	2017 £'000
B. Analysis of cash and cash equivalents		
Cash in hand	100	57
Cash at bank	7,412	2,605
Total cash and cash equivalents	7,512	2,662

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Charity Information

The charity is a private limited company by guarantee (charity registered number 265249), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Floors 4 and 5, Highland House, 165, The Broadway, Wimbledon, London, SW19 1NE.

1. Accounting Policies

a) Basis of preparation

The accounts have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 UK Generally Accepted Accounting Practice as it applies from 1st January 2015 and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements of United Response and its subsidiaries are consolidated on a line by line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'.

Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

b) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, United Response in Business Limited, Robert Owen Communities and Robert Owen Communities Housing on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The amalgamation of Robert Owen Communities (ROC) and its fully owned subsidiary, Robert Owen Communities Housing (ROCH), was referred to in the 2017 Annual Report and Accounts as a merger, reflecting both the tone of the combination and that no cash consideration was paid to ROC. However, the transaction has been accounted for in the financial statements under the principles of acquisition accounting. On 1 April 2017 the business undertakings, staff, assets and liabilities were transferred to United Response through a Transfer Agreement. During the year ROC has continued to receive some monies and make some payments on behalf of the charity to avoid business disruption and has transferred these monies to the charity.

1. Accounting Policies (continued)

c) Preparation of the accounts on a going concern basis

The trustees have considered the financial and non-financial risks to which United Response, and the care sector more generally, are exposed. The prospect of a substantial back pay liability relating to sleep-ins has reduced, but the organisation has retained a contingent liability due to the possibility of an appeal to the Supreme Court.

If United Response were to be subject to such a back pay liability, and in the absence of a central government sponsored funding solution, it would seek to gain re-imbursement from local authority providers for the underpayment element, but cannot estimate the extent to which it would be successful. Local authorities were notified of this intention in 2018. United Response's consolidated reserves stand at £28.1m, of which two-thirds are held as cash. As a result, the financial statements have been prepared on the going concern basis because there is a reasonable expectation that United Response has adequate resources to continue in operational existence for the foreseeable future and the trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue.

d) Critical accounting judgements and key sources of uncertainty

In the application of the charity's accounting policies, trustees are required to make judgements, estimates, assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees, other than those matters disclosed in Note 15 Provisions for Liabilities and Charges and Note 26 Contingent Liability, there are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date likely to result in a material adjustment to their carrying amounts in the next financial year.

e) Income

Grant and contractual income for the delivery of care to individuals is recognised on a receivable basis and is recognised in the year care is provided. Contractual income is received from statutory authorities, mainly from local authorities and health trusts.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

f) Expenditure

Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure associated with the provision of support to people with learning disabilities or mental health needs and include both the direct and support costs relating to these activities. Governance costs are primarily associated with constitutional and statutory requirements. Where support costs cannot be directly attributed to one of the charity's activities they have been allocated on the basis of estimated time spent.

g) Operating leases

Rental costs under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

h) Pension schemes

United Response operates a non-contributory stakeholder pension scheme for eligible staff members. Current employer's contributions amount to 3% of pensionable earnings. The charity also contributes to the NHS pension scheme, the West Yorkshire Pension Fund and the Nottinghamshire County Council Pension Fund in respect of staff members who have transferred from other employers. These are defined benefit schemes which we account for as defined contribution schemes as it is difficult to identify the charity's share of the underlying assets and liabilities; we hold £100,000 in reserve relating to these schemes should we be required to supplement our contributions.

i) Intangible fixed assets

Computer software costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use, they are amortised on the straight line basis over four years.

j) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 are capitalised and shown at cost. Depreciation has been charged to write off all fixed assets, except for freehold land, over their estimated useful lives, at the following rates:-

Freehold buildings and improvements	2% to 25% on cost
Leasehold buildings	over period of lease
Furniture and equipment	25% on cost
Motor vehicles	25% on cost

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

k) Financial instruments

United Response has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise overdrafts and trade and other creditors. Financial assets and liabilities are detailed in notes 13 and 14 to these accounts.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. These are detailed in note 12 to these accounts. Investments in subsidiary undertakings are held at cost less impairment.

l) Investments

Investments are included in the balance sheet at market value. Realised and unrealised gains are included in the statement of financial activities. Realised gains have been calculated on a first in first out basis, using market value brought forward, where separate holdings of an investment have been purchased on different dates. Unrealised gains are noted on the balance sheet as a revaluation reserve. During the year most investment holdings were disposed of in order to hold sufficient liquid funds to cover the situation where a provision for the sleep-in back pay liability would have been required.

m) Stock

Stock is included at the lower of cost and net realisable value.

n) Provisions

United Response has commitments to make good dilapidations and carry out repairs under various property leases. A provision is made for all leased properties that may be subject to a potential dilapidation charge and is based on the experience of recent actual costs incurred when vacating premises.

o) Funds

Income received subject to specific conditions imposed by the donor is included in restricted funds. Revenue expenditure is allocated against these funds as incurred. Restricted funds which have financed fixed assets are reduced by amounts equivalent to any depreciation charge over the expected useful lives of the assets concerned. The analysis of restricted funds is shown in note 17 to the accounts.

Designated funds are unrestricted funds which have been set aside by the trustees for particular purposes. The purposes and uses of these funds are set out in note 19 to the accounts.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

p) Cash at bank and in hand

Liquid resources are defined as cash at bank and in hand immediately available to meet working capital needs. Other cash not required for working capital requirements are classified as investments.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

2. Analysis of Donations and Legacies

	Total 2018 £'000	Total 2017 £'000
Grants		
Various grants	-	20
Total grants	-	20
Donations from trusts		
Clothworkers' Foundation	25	25
Forbes Trust	23	-
Other	6	4
Total donations from trusts	54	29
Other donations, legacies and other voluntary income	303	459
Total donations and legacies	357	508
Donation of net assets arising on amalgamation	-	4,089
Total donations, legacies and other voluntary income	357	4,597

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

3. Analysis of Income from Charitable Activities

	Contractual Income £'000	Grants £'000	Trading Income £'000	Total 2018 £'000	Total 2017 £'000
Learning disability residential services	12,986	6	-	12,992	15,262
Learning disability supported living services	72,220	33	240	72,493	66,962
Other learning disability services	3,267	-	-	3,267	3,679
Mental health services	1,995	-	-	1,995	2,003
Employment Opportunities for People We Support	802	150	289	1,241	760
Total income from charitable activities	91,270	189	529	91,988	88,666

Contractual income includes £65,476 (2017 - £64,712) in respect of contracts with the Isle of Man Government.

Grant income is made up as follows:

	2018 £'000	2017 £'000
Skills for care	39	72
Grants to support employment (various)	126	43
Other small grants	24	108
Total	189	223

Further details of these grants are included in note 17.

Contractual income is made up as follows:

	2018 £'000	2017 £'000
Income from statutory authorities	86,577	82,772
Income from people we support and other sources	4,693	5,132
Total contractual income	91,270	87,904

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

4. Analysis of Income from Investments

	2018	2017
	£'000	£'000
Distributions on listed unit trusts and OEICs	108	33
Distribution on property investment trust	77	58
Alternative investments	256	241
Interest on bond funds (OEICs)	17	23
Interest on total return funds	20	26
Interest on cash held within investment portfolio	6	7
Bank interest	2	46
Total investment income	486	434

5. Analysis of Total Expenditure

	Direct	Support	Total	Total
	Costs	Costs	2018	2017
	£'000	£'000	£'000	£'000
		(Note 6)		
Raising funds				
	90	8	98	164
Charitable activities				
Learning disability residential services	11,892	1,754	13,646	15,589
Learning disability supported living services	62,674	10,516	73,190	68,563
Other learning disability services	3,125	467	3,592	3,731
Mental health services	1,748	318	2,066	2,038
Employment Opportunities for People We Support	1,121	422	1,543	999
Governance costs	390	0	390	437
	80,950	13,477	94,427	91,357
Total resources expended	81,040	13,485	94,525	91,521

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

6. Analysis of Support Costs

	2018	2017
	£'000	£'000
Regional support and training	7,160	6,813
Service development and quality	778	557
Communication and policy	486	681
Financial, HR and legal	2,927	3,149
IT	1,515	1,790
General management	611	569
Total support costs	13,477	13,559

Support costs have been allocated to activities on the basis of estimated time spent.

7. Net Deficit on Operations for the Year

This is stated after charging:

	2018	2017
	£'000	£'000
Depreciation and amortisation	571	864
Auditors' Remuneration (including VAT)	58	60
Other fees paid to Auditors	2	22
Amounts paid under operating leases		
- Land and buildings	1,409	1,843
- Motor vehicles	329	314

8. Trustee benefits and expenses

No remuneration was paid to trustees. A total of £4,870 was paid to 6 trustees for travelling expenses (2017 - £9,109; 12 trustees). The expenses reimbursed to trustees cover travel and subsistence costs only.

Indemnity insurance is provided for the trustees as part of the overall management liability policy, the total premium paid during the year amounted to £10,967 (2017 - £10,917).

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

9. Staff Costs

Total staff costs for the year were as follows:

	2018	2017
	£'000	£'000
Wages and salaries	66,604	62,570
Social security costs	5,128	4,528
Pension contribution costs	1,497	1,743
Total	73,229	68,841

Wages and salaries includes £184,000 (2017 - £160,917) of redundancy and termination payments which are paid out in accordance with our redundancy policy and legal requirements.

Average number of staff employed

	2018	2017
	Number	Number
Direct charitable activities	3,846	3,707
Support and governance	277	167
Generating voluntary income	3	3
Total	4,126	3,877

Number of employees whose remuneration (including taxable benefits) exceeded £60,000 during the year

	2018	2017
	Number	Number
£60,000 - £70,000	1	3
£70,001 - £80,000	3	3
£80,001 - £90,000	2	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
Total	9	9

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

9. Details of Staff (continued)

Total pension contributions outstanding at the year end were £202,000 (2017 - £152,247).

Executive Team Remuneration

	2018	2017
	£'000	£'000
Total pay and benefits of the Senior Executive Team	585	568

The Executive Team consists of the Chief Executive, Director of Finance, Director of Operations, Director of IT and Business Change and the Director of HR and Communications.

10. Intangible Fixed Assets

	2018	2017
	£'000	£'000
Cost		
1 April 2017	695	662
Additions	34	33
Disposals	-	-
31 March 2018	729	695
Amortisation		
1 April 2017	442	296
Charge for the year	151	146
Disposals	-	-
31 March 2018	593	442
Net Book Values (Charity & Group)		
2018	136	253

Intangible assets relate to capitalisation of computer software costs.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

11. Tangible Fixed Assets

	Freehold property £'000	Leasehold property £'000	Furniture & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
1 April 2017 (restated)	6,543	1,515	2,373	65	10,496
Additions	43	18	90	-	151
Disposals	(2)	(403)	(164)	-	(569)
31 March 2018	6,584	1,130	2,299	65	10,078
Depreciation					
1 April 2017 (restated)	895	1,014	2,042	40	3,991
Charge for the year	206	68	134	12	420
Disposals	(1)	(394)	(160)	-	(555)
31 March 2018	1,100	688	2,016	52	3,856
Net Book Value (Group)					
2018	5,484	442	283	13	6,222
2017	5,648	501	331	25	6,505
Net Book Value (Charity)					
2018	5,484	442	283	13	6,222
2017	3,645	131	272	3	4,051

Freehold property includes a property with a net book value of £204,000 (2017 - £211,000) which is subject to the restrictions set out in note 18.

The insurance value of freehold property included above is £7,917,000 (2017 - £7,723,485).

On 31 March 2017 Robert Owen Communities merged with United Response and fixed assets were shown as a donation of cost less depreciation in the Group accounts. On 1 April 2017 these assets were transferred to United Response at net book value and the re-statement relates to the transfer of accumulated depreciation on the ROC assets to the cost line.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

12. Fixed Asset Investments

	2018 £'000	2017 £'000
Market value at beginning of year	18,027	17,290
Purchases at cost	1,016	2,017
Disposals at book value	(10,398)	(1,858)
(Decrease) / increase in market value	(251)	1,033
Increase / (decrease) in cash held for reinvestment	3,585	(455)
Market value at end of year	11,979	18,027
Historical cost at end of year	11,979	16,994

The market value of investments was made up as follows:-

	2018 £'000	2017 £'000
Listed unit trusts and OEICs	-	2,038
Property funds	-	972
Alternative investments	-	4,003
Absolute return funds	-	1,896
Listed convertibles fund	-	724
Unlisted investments	2	-
Interest bearing deposits	11,977	8,394
Total	11,979	18,027

The value of investments is split:

In the UK	11,977	18,027
Outside the UK	2	-
Total investments	11,979	18,027

At 31 March 2018 and at 31 March 2017 there were no investments which represent more than 10% of the value of the portfolio, with the exception of cash holdings on deposit.

During the year a decision was made to liquidate the investment portfolio in preparation for the potential situation of needing to have sufficient funds available to meet a significant short-term sleep-in liability if it had occurred.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

13. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	8,433	7,634	8,348	7,251
Amounts owed by group and associated undertakings	0	-	95	44
Prepayments	342	341	342	283
Accrued income	2,373	2,050	2,367	1,928
Other debtors	152	260	151	242
Total	11,300	10,285	11,303	9,748

14. Creditors - Amounts Falling Due Within One Year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	925	828	922	785
Accruals	3,272	3,025	3,254	2,518
Deferred income	1,046	1,304	1,044	1,227
Taxation and social security	1,289	1,113	1,268	1,037
Other creditors	1,414	937	1,407	905
Total	7,946	7,207	7,895	6,472

15. Provision for Liabilities and Charges

	Provision for SCCS liability	Provision for Dilapidations	Total Provision	
	2018	2018	2018	2017
	£'000	£'000	£'000	£'000
Opening balance	-	477	477	183
Utilised in year	-	(49)	(49)	-
Released unused during the year	-	-	-	(40)
Additional amount provided	600	60	660	334
Closing balance	600	488	1,088	477

The provision for dilapidations provides for the cost of repairs arising as a result of obligations under property leases. A provision has been established to allow for non-sleep in payroll related liabilities arising from joining the Social Care Compliance Scheme (SCCS).

16. Analysis of Net Assets between Funds

	General Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	2018 Total Funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	136	136	-	136
Tangible fixed assets	-	5,859	5,859	363	6,222
Investments	11,979	-	11,979	-	11,979
Current assets	16,526	1,518	18,044	773	18,817
Current liabilities	(7,946)	-	(7,946)	-	(7,946)
Provisions for liabilities & charges	(1,088)	-	(1,088)	-	(1,088)
Total net assets 31 March 2018	19,471	7,513	26,984	1,136	28,120

2017 Comparative Disclosures	General Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	2017 Total Funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	253	253	-	253
Tangible fixed assets	-	6,137	6,137	377	6,514
Investments	18,027	-	18,027	-	18,027
Current assets	10,534	1,761	12,295	658	12,953
Current liabilities	(7,207)	-	(7,207)	-	(7,207)
Provisions for liabilities & charges	(477)	-	(477)	-	(477)
Total net assets 31 March 2017	20,877	8,151	29,028	1,035	30,063

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

17. Restricted Funds

	Balance 31 March 2017 £'000	Transfers 31 March 2017 £'000	Income £'000	Expenditure £'000	Balance 31 March 2018 £'000
Time For You	16	-	-	(1)	15
Cornwall Supported Employment	-	-	3	-	3
Training grants	0	-	0	0	0
Secret Garden, York	0	-	0	0	0
Development of the Retreat, Kent	10	-	-	(5)	5
Carers' Project	98	-	-	-	98
North East Division	39	-	20	(11)	48
South West Division	41	-	17	(9)	49
South East Division	70	-	75	(58)	87
North West Division	73	-	6	(9)	70
Devon (formerly ROC)	239	(192)	120	(30)	137
Other restricted funds	72	-	31	(31)	72
Subtotal	658	(192)	272	(154)	584
Represented by tangible fixed assets:					
North East Division	2	-	-	-	2
South West Division	144	-	-	(4)	140
South East Division	15	-	-	(6)	9
North West Division	8	-	-	-	8
Devon (formerly ROC)	-	192	-	(3)	189
Total excluding restricted property fund	827	-	272	(167)	932
Restricted property fund (see note 18)	208	-	-	(4)	204
Total	1,035	-	272	(171)	1,136

The purposes of the principal funds shown above are as follows:

Time for You - this is a grant from Ipswich Borough Council in relation to the Suffolk Short Break Demonstrator Project, involving the provision of support to family carers of people with learning disabilities. The grant was originally awarded to Ipswich Council for Voluntary Service, but was transferred to United Response during 2012.

17. Restricted Funds (continued)

Cornwall Supported Employment - this service provides support to enable people with learning disabilities to secure paid employment working with many partners including Working Links, PLUSS, Prospects, Cornwall College and the Employment and Skills Board. Funding sources include the DWP, the Skills Funding Agency, the European Social Fund and various independent capacity-building grants.

Secret Garden, York - this is a project involving people living with dementia in helping with the creation of a garden. The project is being carried out in partnership with HereNowDementia Ltd and is funded by grants from the Joseph Rowntree Foundation.

Development of the Retreat, Kent - this is a grant from Kent County Council for building works associated with a service in Kent.

Carers' Project - this is a project, funded by a donation from the David Lambert Trust, designed to provide respite for the family carers of young adults with severe mental health problems, working in partnership with the local PCT, prior to disbanding in 2011. We are now exploring alternative ways of taking it forward, working with other statutory agencies.

North West Division - the income and expenditure relate principally to grants provided to support our supported employment work in Greater Manchester. Grants have also been provided by Knowsley MBC and Wigan MBC to enable us to develop employment and social opportunities for people with autism.

Robert Owen Communities - in 2017 this mainly related to a capital grant to develop property that also suits people with dementia and increase housing for independent living. In 2017 this fund was disclosed within £239,000 as Robert Owen Communities. In 2018 the funds related to tangible fixed assets (£192,000) were transferred to that categorisation and the remainder was renamed Devon.

Devon - in 2016 United Response merged with Robert Owen Communities and the income and expenditure which ROC used to generate is restricted to activities in Devon. In 2017 the ROC fund was £239,000. This has been split into restricted funds related to tangible fixed assets £192,000, which relates to a capital grant to develop property that also suits people with dementia and increase housing for independent living, and the remaining £47,000 has been classified as Devon, as the restrictions are applied to local projects. In 2018 UR received a legacy from a former Chairman of ROC for £50,000 to be used in Devon.

Funds represented by tangible fixed assets - these funds relate mainly to improvements to properties, including houses owned by United Response in West Sussex and leased in Suffolk, Essex and Kent. Included in this fund are the restricted properties of ROC.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

17. Restricted Funds (continued)

2017 Comparative Disclosures

	Balance 31 March 2016 £'000	On Amalgamation £'000	Income £'000	Expenditure £'000	Balance 31 March 2017 £'000
Time For You	16	-	-	-	16
Cornwall Supported Employment	-	-	43	(43)	-
Development of the Retreat, Kent	15	-	-	(5)	10
Carers' Project	98	-	-	-	98
North East Division	62	-	-	(23)	39
South West Division	33	-	11	(3)	41
South East Division	52	-	38	(20)	70
North West Division	69	-	13	(9)	73
Robert Owen Communities	-	232	45	(38)	239
Other restricted funds	76	-	(4)	-	72
Subtotal	421	232	146	(141)	658
Represented by tangible fixed assets:					
North East Division	2	-	-	-	2
South West Division	148	-	-	(4)	144
South East Division	9	-	3	3	15
North West Division	8	-	-	-	8
Total excluding restricted property fund	588	232	149	(142)	827
Restricted property fund (see note 18)	211	-	-	(3)	208
Total	799	232	149	(145)	1,035

18. Restricted Property Fund

The restricted property fund represents the value of a freehold property provided by the South East Kent District Health Authority to house a service in Folkestone. The property, which was acquired at no cost to United Response, is registered in the name of the charity and has been included in fixed assets at the cost of acquisition and refurbishment borne by the Health Authority, less depreciation. In the event of the service terminating, United Response has undertaken to transfer the property back to the Health Authority for £nil consideration.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

19. Unrestricted Funds	Balance 31 March 2017 £'000	Transfers during the year £'000	Utilised during the year £'000	Balance 31 March 2018 £'000
Business development fund - general	50		(22)	28
IT strategy fund	200	(50)	(71)	79
Property fund	1,061	-	-	1,061
New opportunities/strategic contingency fund	100	194	(294)	-
Projects fund	-	8	(8)	-
Pension fund	100	-	-	100
Maintenance fund	250	-	-	250
Intangible Fixed Assets	253	(117)	-	136
Tangible fixed assets	6,137	(278)	-	5,859
Total designated funds	8,151	(243)	(395)	7,513
Unrestricted general funds	20,877	243	(1,649)	19,471
Total unrestricted funds	29,028	-	(2,044)	26,984

Funds have been designated for the following purposes:-

Business development fund - to help cover the costs associated with the setting up of new services. Its purpose is to help simulate business development by providing one-off funding for new, mainly local, initiatives. These funds will be utilised in the next 12 months.

IT strategy fund - to cover the costs of any anticipated IT project improvements focussing on defined developments of the Customer Relationship Management (CRM) platform and completing the ROC system transition.

New opportunities/strategic contingency fund - to cover the costs to complete the ROC integration project.

Property fund - to help fund the purchase of properties to support the development of the charity's activities. These funds will be utilised over the next five years.

Pension fund - to cover the potential liability associated with membership of one multi-employer defined benefit local government pension schemes.

Maintenance fund - to provide funding for major repairs of properties which the charity has responsibility for.

Intangible fixed assets - relates to the portion of reserves invested in intangible fixed assets used by United Response in its operations.

Tangible fixed assets - relates to the portion of reserves invested in tangible fixed assets used by United Response in its operations.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

19. Unrestricted Funds (continued)

2017 Comparative Disclosures	Balance 31 March 2016 £'000	On Amalgamation of ROC £'000	Gains/(losses) & transfers & transfers during the the year £'000	Utilised during the year £'000	Balance 31 March 2017 £'000
Business development fund - general	124	-	(26)	(48)	50
Research and development fund	4	-	(4)	-	-
IT strategy fund	722	-	28	(550)	200
Property fund	1,061	-	-	-	1,061
New opportunities/strategic contingency fund	3,225	-	(2,651)	(474)	100
Projects fund	98	-	(77)	(21)	--
Quality and streamlining fund	303	-	(303)	-	-
Pension fund	100	-	-	-	100
Maintenance fund	250	-	-	-	250
Intangible Fixed Assets	366	-	(113)	-	253
Tangible fixed assets	3,705	2,675	(242)	(1)	6,137
Unrealised movement on investments	517	-	(517)	-	-
Total designated funds	10,475	2,675	(3,905)	(1,094)	8,151
Unrestricted general funds	15,511	1,182	4,184	-	20,877
Total unrestricted funds	25,986	3,857	279	(1,094)	29,028

20. Capital commitments

There were no capital commitments in either 2018 or 2017.

21. Operating Lease commitments

	Land and buildings		Vehicles	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Total of future minimum lease payments under non cancellable operating leases:				
within one year	809	838	168	177
within two to five years	706	871	260	281
after five years	243	309	-	-
Total	1,758	2,018	428	458

22. Subsidiary Undertakings

United Response has a wholly owned trading subsidiary, United Response in Business Limited, with company number 3787676 and registered address at 4th Floor, Highland House, 165 The Broadway, Wimbledon, London, SW19 1NE, which is incorporated in Great Britain and carries on trading activities in accordance within the objects of the charity. The purpose of United Response in Business Limited is to provide employment opportunities for people with learning disabilities or mental health needs, and to carry out other activities in support of the charity's work. The principal activities in 2017 were the operation of a café in York, fulfilment and disability consultancy services and the provision of motor vehicles to people with learning disabilities supported by the charity.

On 1 April 2016, the charity acquired 100 per cent control of the membership of Robert Owen Communities (ROC), a UK charitable company with registered charity number 517845 and company number 02038915 and its subsidiary undertaking, Robert Owen Communities Housing (ROCH), in consideration of assuming the responsibility of continuing to work with adults, children and young people with learning disabilities, mental health needs or physical disabilities. ROCH is a UK charitable company with registered charity number 1082257 and company number 03851512.

On 1 April 2017 all business undertakings, staff, assets and liabilities of ROC and ROCH were transferred to United Response through a Transfer Agreement with any specific fund restrictions continuing to apply under the control of United Response. The companies have not traded during the year, except in so far as to continue to collect monies on behalf of United Response, in order not to disrupt business. A small balance remains in the bank account of ROC which will be transferred to United Response.

The tables overleaf show the impact of the subsidiaries on the results of the Group.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

22. Subsidiary Undertakings (continued)

Financial activities of Subsidiaries in 2018	2018 ROC £'000	2018 ROCH £'000	2018 URIB £'000	2018 Total £'000
Sales revenue	-	-	552	552
Grants receivable	-	-	99	99
Total turnover	-	-	651	651
Salaries and wages	-	-	209	209
Other costs	-	-	442	442
Total operating costs	-	-	651	651
Trading (loss)/profit	-	-	-	-
Grant to United Response	(3,636)	(454)	-	(4,090)
Retained (loss)/profit	(3,636)	(454)	-	(4,090)
Retained loss brought forward	3,636	454	(99)	3,991
Retained loss carried forward	-	-	(99)	(99)
Net Assets	-	-	2	2
2017 comparatives	2017 ROC £'000	2017 ROCH £'000	2017 URIB £'000	2017 Total £'000
Financial activities of subsidiaries in 2017				
Income	6,340	95	510	6,945
Donations and grants receivable	85	-	50	135
Total turnover	6,425	95	560	7,080
Salaries and wages	4,763	-	160	4,923
Other costs	1,797	42	400	2,239
Total operating costs	6,560	42	560	7,162
Trading (loss)/profit	(135)	53	-	(82)
Investment income	5	-	-	5
Retained (loss)/profit	(130)	53	-	(77)
Retained loss brought forward	3,766	401	(99)	4,068
Retained loss carried forward	3,636	454	(99)	3,991
Net Assets	3,636	454	2	4,092

23. People We Support bank accounts

The charity administers holding bank accounts on behalf of residents for the receipt and payment of the residents' personal allowances. These bank accounts have not been reflected on these financial statements as an asset or liability. The value held at 31 March 2018 was £330,541 (2017 - £330,309). The bank accounts are held separately from those of the charity.

24. Transactions with Related Parties

There have been no related party transactions, in the year to 31 March 2018, that require disclosure other than transactions with the subsidiary companies, URIB, ROC, ROCH and UR's trustees. Transactions with URIB, ROC and ROCH are set out below and those with the trustees are disclosed under note 8 of the accounts.

In 2018, the charity charged URIB with management fees totalling £16,677 (2017 - £14,458). This is calculated as the time spent on URIB by individuals on the basis of salaries including National Insurance (NI) and pension contributions. The proportion of time devoted to URIB is estimated on a percentage basis.

In 2018, the charity provided grants to URIB totalling £102,074 (2017 - £49,877). This is to cover the losses made by URIB and payments by statutory bodies for people we support on placements at the trading café. These payments are made to the charity and credited to URIB.

In 2018, the charity charged URIB with £44,289 (2017 - £31,239) in respect of staff of the charity providing direct support to the operations of the subsidiary company. These costs are based on actual hours including NI and pension contributions.

In 2018, URIB charged the charity with £9,592 (2017 - £21,766) in respect of staff of URIB providing direct support to the charity. These costs are based on actual hours including NI, pension contributions and actual unit costs for fulfilment services.

On 1 April 2017 the assets and liabilities of ROC (£3,636,000) and ROCH (£454,000) were transferred to UR in accordance with the transfer agreement.

In 2018 ROC continued to make payments and receive monies on behalf of United Response in order not to disrupt operations after the transfer of activities to the charity. Net receipts of £612,000 were paid to UR during the year (2017 - £nil).

In 2018 ROCH also received monies on behalf of United Response and paid £30,000 to UR during the year (2017 - £nil).

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

25. Consolidated Statement of Financial Activities for the year ended 31 March 2017
(incorporating a consolidated income and expenditure account)

	General Funds 2017 £'000	Designated Funds 2017 £'000	Restricted Funds 2017 £'000	Total Funds 2017 £'000
Income from:				
Donations and legacies	400	-	108	508
Charitable activities	88,625	-	41	88,666
Investments	434	-	-	434
Other	6	-	-	6
Total incoming resources	89,465	-	149	89,614
Donation of net assets arising on amalgamation	1,182	2,675	232	4,089
Total income	90,647	2,675	381	93,703
Expenditure on:				
Raising funds	126	-	38	164
Charitable activities	90,156	1,094	107	91,357
Total expenditure	90,282	1,094	145	91,521
Net deficits on operations	365	1,581	236	2,182
Net losses on investments	1,096	-	-	1,096
Net income/(expenditure) before transfers between funds	1,461	1,581	236	3,278
Transfers between funds	3,905	(3,905)	-	-
Net movement in funds	5,366	(2,324)	236	3,278
Reconciliation of funds:				
Total funds at 1 April 2016	15,511	10,475	799	26,785
Total funds at 31 March 2017	20,877	8,151	1,035	30,063

26. Contingent Liability

Impact of National Living Wage ("NLW") and Sleep Ins in the social care sector

Sleep-Ins occur in cases where People We Support require a staff member to be physically present at night in case of emergency, but the staff member is not required to be working, and is allowed to sleep unless required to work. United Response provided Sleep-Ins when specified by local authorities, and prior to April 2017, paid staff for Sleep-Ins at rates that reflected the flat rate payment received from the local authority.

United Response, along with other providers, had been of the view that payment for Sleep-Ins was not governed by regulations regarding the National Minimum Wage and had accordingly, until 1 April 2017, applied a wage rate determined by the specific funding allocated by the contracting local authority. In reaching this view, United Response, in line with other providers, relied on its interpretation of guidance that had been issued by the Department of Business, Energy and Industrial Strategy ("BEIS") and its predecessors.

United Response, in response to uncertainties emerging in the interpretation of the regulations (the "Regulations") establishing the National Minimum Wage, and to the approach of various contracting local authorities, determined with effect from April 2017 to pay staff undertaking Sleep-Ins at least at the National Minimum Wage on average, whether the hour in question arose from a day or sleep-in shift.

The Government responded to the uncertainties in relation to interpretation of the Regulations, and the consequences of those uncertainties, by setting up the Social Care Compliance Scheme (SCCS). This required participants to calculate the amounts due to all staff, past and present, who had undertaken Sleep-Ins in the period up to six years prior to joining the SCCS, on the basis that all hours undertaken in that period were paid on average at least the relevant National Minimum Wage for the pay period in question. All amounts due would then need to be paid to staff no later than March 2019.

United Response joined the SCCS in December 2017. As United Response had started to pay staff at least the National Minimum Wage in April 2017, its potential back pay liability related to a period of the five years and three months prior to April 2017.

The issue whether Sleep-Ins are subject to the National Minimum Wage has been litigated on a number of occasions, perhaps most significantly in a case brought against Mencap. The outcome of this case was expected by the sector, to a significant extent, to be determinative of whether or not there was a liability to pay the National Minimum Wage for Sleep-Ins. This case finally came to the Court of Appeal in July 2018. The Court of Appeal ruled that National Minimum Wage regulations did not apply to Mencap's Sleep-Ins.

26. Contingent Liability (continued)

Impact of National Living Wage ("NLW") and Sleep Ins in the social care sector (continued)

The Sleep-In arrangements of United Response are very similar to those at Mencap. Accordingly, the Court of Appeal ruling is reasonably likely to be applicable to United Response and for this reason, the prospect of there being a liability prior to April 2017 is significantly reduced. The Court of Appeal decision was unanimous and considered by United Response, the sector and certain legal commentators to be clear on the issue. Unless the Court of Appeal's ruling is overturned, there is therefore a likelihood that United Response will not be liable for periods prior to April 2017.

The trade union Unison, on behalf of the appellant in the Mencap case, has sought leave to appeal to the Supreme Court (the Court of Appeal having itself refused the appellant the right to appeal). If the right to appeal is granted, the case is not likely to be heard before late 2019. Should the appellant win that appeal and overturn the judgment of the Court of Appeal, then, depending on the basis on which the judgment is overturned, the risk of United Response being liable for the period of five years and three months prior to April 2017 returns.

The fact that the Court of Appeal has ruled that Sleep-Ins similar to those at United Response do not require to be paid at the National Minimum Wage makes it unlikely, at the date of approval of these accounts, that United Response will have a liability for the period prior to April 2017, but the fact that there is a current application for leave to appeal means the risk, while uncertain, cannot be ruled out. Therefore, the accounts contain a contingent liability with respect to this issue. The worst case liability, inclusive of possible additional social security charges, is estimated at £16.8m.

