

United Response
Annual Report and Accounts
2018/19

Charity number 265249 (England) and 1062 (Isle of Man)
Company registration number 1133776

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Objectives and activities of the charity

United Response is a charity that works in 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 community-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 from our 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 brought in by GDPR, and we continue to work to ensure that we are fully compliant. United Response protects vulnerable people and other members of the public by ensuring that private data is protected, that there are no third parties used to fundraise on our behalf and that all donors are aware of how to opt out from future communications. This approach is shown on the Fundraising Commitment page on our website. We will finalise our new fundraising strategy in summer 2019 which will include a review of fundraising governance.

Charity Governance Code

United Response subscribes to the principles of the Charity Governance Code, trustees receive periodic updates on governance issues from external advisers and will be undertaking a self-assessment against the Governance Code during 2019/20.

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
- Providing supported employment and volunteering opportunities, including training
- Providing effective support using staff trained in recognised techniques to the

many people we support who are on the autistic spectrum

- Supporting people to develop Life Skills such as interests, hobbies and skills to help manage their own home and money
- Supporting people to develop and maintain relationships with friends and family;
- Providing accessible communications to support people to speak up
- Providing advocacy services by 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 using 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 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. We commissioned a best practice review of our safeguarding policies and practice from a recognised external authority

in the field, the Anne Craft Trust. 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

Our priorities this year have focused on driving forward good outcomes for those we support, and on securing our longer term financial sustainability.

The dedication and hard work of our staff has shone through over the past year, and I would like to begin by sincerely thanking them all. Since joining United Response in July 2018, I have been hugely impressed by the charity's workforce at all levels. We are incredibly fortunate to have passionate teams across England and Wales who enable and empower the people we support to live their lives to the full.

Our fifth annual survey speaks volumes about the ongoing quality of our work and what it means to the recipients of our services. In addition, the Care Quality Commission's inspections continue to demonstrate positive results with more than 90% of our services rated 'good', well above our peer group average. We are conscious of the importance of maintaining these high standards and we adopt a philosophy of continuous improvement. During the year, we strengthened our internal assurance with the appointment of three service quality auditors, providing regular scrutiny and recommendations of how and where we can do better.

Financially, this has been another challenging year for United Response, one during which we have held true to our core values whilst navigating through problematic times and tough decisions. We and the wider sector have had to deal with a further successive year of austerity measures imposed on social care funding. We believe we have taken appropriate measures to the fullest extent possible.

We are more determined than ever to secure better rights for people with learning disabilities and mental health issues. We and the sector have worked tirelessly to influence Government on a number of wider issues, at a time when much domestic policy has been overshadowed by Brexit. This has included lobbying for better employment support and opportunities for people with learning disabilities and mental health issues. Our longstanding campaign on the 'sleep-ins' issue was a core part of this work, culminating in a Court of Appeal ruling in July 2018 and a postponement of the looming threat of the back-pay liability. We now await a Supreme Court judgement, which is expected in 2020.

In addition to my arrival, there have been a number of changes to our Board of Trustees and senior leadership team. Sadly, we have said goodbye to my predecessor, Maurice Rumbold, and to our one of our

longest standing Trustees, Sue Jagelman. This year, we have also had to say goodbye to two more Trustees who step down on the culmination of their terms: Sandra Hannington and Karie Clifford. All of these Trustees have been very active during their tenure and we shall miss their contributions. In their place, the Board welcomes four new Trustees: Alison Stanley, Deborah Tavana, Guy Van Dichele and Mark McLaughlin. We look forward to using their expertise and knowledge to help steer United Response in the years ahead. Finally, I would like to wish Jill Lanham our Director of IT & Business Change every success as she moves on to a new role outside of United Response.

This is a challenging but gratifying time for United Response, as we get ourselves in better shape to face the future while striving to continue delivering excellent services. Although we are operating in a difficult economic and political environment, we have a clear vision and sense of purpose that is being driven forward by our Chief Executive Officer, Tim Cooper, and all his dedicated staff.

Malcolm McCaig
Chairman of the Board of Trustees

United Response in 2018/19 at a glance:

- Across England, Wales and the Isle of Man we support more than 3,000 people and employ 3,800 staff
- We contract with over 75 local authorities and Clinical Commissioning Groups
- The value of services provided grew to £93.6m in 2018/19 with the annualised value of new support commissioned in 2018/19 being £2.7m.

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

We have:

- 69 registered care services, 62 have been inspected under the CQC framework
- 33 care homes

- 36 supported living/domiciliary care services
- 94% of services are rated as "Good"

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

- 98% of people we support feel safe when with their support staff
- 95% of people we support say their support workers listen and talk to them
- 94% of families rate the quality of our support as good or excellent
- 97% of families think that our staff are caring and have the right values

- 90% of people we support say they like where they live

Online audiences

- There were 136,650 unique visits unitedresponse.org.uk
- 1,395 people made contact through our website to ask for support for themselves or someone they know
- We welcomed 4.9% more followers to our total social media audience (Facebook and Twitter)
- Our social media content was seen 3,539,908 times – a 25% increase on 17/18
- People engaged with our social media content 40,384 times

Strategic Report

In 2016, United Response agreed a long-term strategy setting out its plans to 2020. On 1 April 2019, we entered the final year of its delivery which will be reviewed and refreshed in 2019/20.

The strategy has allowed 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. Since 2016, it has enabled us to focus on securing our financial sustainability, driving forward good outcomes for those we support, and developing the organisation.

In 2018/19, we set out to focus specifically on quality and finance – enabling us to remain financially sustainable to allow us to achieve good outcomes for the people we support. We wanted to provide support in this way, and thereby 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 2019 are detailed the pages which follow.

Key:



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 2018/19 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 fifth annual satisfaction survey of people we support and their families. They told us that: <ul style="list-style-type: none"> - 98% feel safe when they are with their United Response support staff - 95% said their care worker respected them and their home- 97% of families said that staff were caring and had the right values - 97% of families felt welcome and listened to - 94% of families said the quality of support given was excellent or good • Our CQC overall inspections ratings continue to show a positive result against national averages. As of March 2019, 61 of our 66 registered services had been inspected. This resulted in the following ratings: 0 Outstanding; 56 Good; 5 Requires Improvement; 0 Inadequate. • In comparison with other health and social care providers, we are 92% good in comparison to 67% good nationally and we are 8% requires improvement compared to 23% requires improvement nationally. Across the 305 domains (safe, caring, effective, responsive and well-led) within our inspection results, we have four outstanding ratings, 278 good ratings, 23 requires improvement ratings and 0 inadequate ratings.
<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 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • We continue to scrutinise ourselves as an organisation and have developed an ongoing service improvement plan to monitor and learn lessons from incidents, complaints and issues highlighted in audits and inspections. We are developing a raft of healthcare guidance covering the 30 most prevalent conditions and illnesses to better support the people in our care and to enhance the skills of our staff. • Our work with the sector to share best practice continues to drive quality and improvement for the organisation. We have worked closely on the development of policy and procedure and how best to liaise with local authorities on safeguarding and the CQC on reporting serious incidents. • The appointment of three quality internal auditors has been a great success with regular CQC-style audits of our services and areas of improvement recommended to staff. • We rolled out our practice framework 'Foundations of Good Support' and developed a range of resources and support networks to help services assess the support they give, identify improvements and implement positive change. • We have updated the Positive Behaviour Support policy, guidance, training and resources to ensure they reflect the national competency framework.

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 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • We have continued to pressure Government for a solution to the longstanding issues relating to “sleep-ins” which by potentially threatening a significant back pay liability could have been a crisis for the sector and have a major impact on United Response. A Court of Appeal ruling in July 2018 seemed to make clear that there should be no such back pay liability. However, an appeal to the Supreme Court means that the Court of Appeal judgment, favourable to the sector and United Response, could be overturned. Even were this to happen, United Response’s liability should be less than originally feared because legal advice obtained by United Response indicates back pay cannot apply for more than six years prior to the judgment. • We have continued to press Government on its long-delayed social care Green Paper, highlighting the role United Response can play in tackling the sector crisis. More widely, we are lobbying Government officials to discuss ways of incentivising innovative care solutions to improve social care funding and delivery. • We continue to support others in holding Government to account for its failure to progress the Transforming Care agenda and reduce numbers of disabled people in inappropriate institutional care. We are working with Voluntary Organisations Disability Group (VODG) to highlight and share best practice on supporting more people to live better lives within local communities, and with others in the sector to bring the issue to Government’s attention at the Conservative Party Conference in Manchester. • We pushed Government for better employment support and opportunities for people with learning disabilities. We showcased the success of our supported employment function in York, which successfully delivered Government’s ‘Proof of Concept’ scheme in conjunction with the DWP and local council – leading to positive outcomes for those in our care. • We created an FAQ for staff to help people we support move from traditional legacy benefits to Universal Credit in the coming months. We continue to lobby Government so that disabled people do not lose out on funding needed for living, housing, care and support and employment under the new system.
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<p>We said:</p> <p>We would continue to provide people we support with access to a comfortable, good quality and safe home</p>		<p>In 2018/19 our achievements were:</p> <ul style="list-style-type: none"> Continued to make good progress in ensuring we are on top of property related H&S compliance, achieving 98% compliance or better at property we own, lease and manage. Developed a new approach to managing service vacancies including introducing improvements to the processes for managing and filling vacancies and allowing improved oversight and action planning. We have continued to develop relationships with new housing partners to enable us to meet new and existing housing needs and continued to work with Resonance to develop the Learning Disability Property Fund, which is on track to launch in 2019. Growth: increased bed spaces in management by 31, an increase of 11% on 2017/18. As at the end of March 2019, we manage 272 bed spaces (excluding care homes).
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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 2018/19 our achievements were:</p> <ul style="list-style-type: none"> We have continued to progress our People Strategy and the key elements of it to make positive changes for United Response staff. Work has particularly focused on improving how we recruit and retain new staff and how we support individuals to develop. This includes: <ul style="list-style-type: none"> Continuing to develop our employer brand 'Make Life Happen', with new stories and photos bring to life how we make life happen in different ways for people we support, to attract new staff. We have incorporated our branding across all our resources and our careers site. Centralising the recruitment function to enable us to deliver a high quality and commercial service, best utilize technology and ensure a great experience for all users, both recruiting managers and candidates, of the service. Implementing new induction resources to help new starters understand more about United Response and get off to the best start in their role, and support managers to plan a great induction. Implementing Career Paths, our framework to support all staff to be great at the job they do now, plan how they want to develop in the future and access the training, learning and development to enable them to do just that. As part of Career Paths, we are developing our first Leadership Development Programme which will be launched in September 2019.
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		<ul style="list-style-type: none"> ○ Re-launching our Learning Management System (LMS) to ensure we are able to effectively plan, record and monitor training and development for all staff. ● Following the employee engagement survey carried out in 2017, we have continued to improve areas identified in the survey as requiring further development, to increase levels of staff engagement. In addition to supporting operations to develop and implement action plans to address issues highlighted locally, organization wide focus has included: <ul style="list-style-type: none"> ○ Developing a Health and Wellbeing strategy to support the physical, mental and financial wellbeing of all staff. ○ Renewed our commitment to Disability Confident (a government backed scheme that is designed to employers recruit and retain disabled people and people with health conditions for their skills and talent) ● We have supported the delivery of strategic objectives of achieving financial sustainability and delivering improved quality, particularly by: <ul style="list-style-type: none"> ○ Reviewing absence management with a view to re-launching in 2019/20. ○ Supported a number of major re-structures/TUPE programmes to ensure effective and efficient working.
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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 2018/19 our achievements were:</p> <ul style="list-style-type: none"> ● Secured gross new support services with an annualised value of £2.7m although this was mitigated by an equal reduction in existing services. ● Successfully developed our business and expanded our local offer in key geographical regions including Cornwall, Richmond upon Thames, Kent, and York. ● Successfully retained strategically important contracts including Cornwall and Salford. ● 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 an increased income from grants and trusts, which will support local innovation, and allow us to deliver employability projects.
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ENSURE THAT WE REMAIN FINANCIAL SUSTAINABLE

<p>We said:</p> <p>We would achieve our financial targets</p>		<p>In 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • Our operational deficit was £ £0.9m higher than in 2017/18 and £2.2m higher than planned. • Cash flow was in line with plan at a net operational outflow of £1.5m in the year. • A number of strategic initiatives to increase income, reduce costs and re-structure services have made good progress, which we will benefit from in following years, and should allow us to return to surplus in 2019/20.
<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 other wage rise pressures.</p>		<p>In 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • We continued to campaign to negotiate higher rates from all local authorities in order to meet the costs arising from the increase in the National Living Wage from £7.50 from £7.83 and the need to fund a cost of living increase to remain competitive in a tight labour market. • The overall impact on the cost base during the year was £2.6m and the negotiations with funders ensured that these rises were recovered in full 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 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • United Response continued to play 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. The decision of the appeal to the Supreme Court in 2020 is awaited and, should this result in a significant back liability, United Response will continue to argue that this liability should be met by government.
<p>We said:</p> <p>We would maximise efficiency across the organisation</p>		<p>In 2018/19 our achievements were:</p> <ul style="list-style-type: none"> • Although overall absolute staff costs were lower than budgeted, net income growth was lower than planned resulting in a year on year decline in the operating contribution margin by 1.5%. • Management of operational margins remains a clear priority for management with all services focusing on achieving an adequate financial return without compromising quality. If this is ultimately not possible then the option to return underperforming contracts will be considered.

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 2019/20 will be on the following key aims

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. **Planning for the future:** in particular reviewing our corporate strategy for the coming years
4. **Speaking Out:** enabling people we support and families to have their voice heard and using our own experience as a provider to inform campaigns to shape Government policy.

Outside of these principal objectives we will also continue to plan for the future to build on existing organisational strengths. In particular, we will be looking at how we use personalised technology, measure outcomes for the people we support, deliver our back office functions and increase access to good quality housing.

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 £2.7m (2017/18 - £5.7m). However, this was offset by the ending of contracts with a value of £2.9m (2017/18 £4.2m) due to the lack of financial viability or a change of circumstances of the people supported.

The possibility of the organisation being liable to a significant back pay liability has not been eliminated. Although a Court of Appeal decision in the case of *Unison v Royal Mencap* appeared to confirm there should be no such liability, a further appeal to the Supreme Court has meant that the position is not resolved, as the Supreme Court could either uphold the decision of the Court of Appeal or reverse the judgment. Were it to reverse the judgment then (depending on the terms of the judgment) there could still be a significant liability to those who have undertaken sleep-ins in the past. The Supreme Court is due to hear the case in February 2020. Legal advice has been received that indicates, should the decision of the Court of Appeal be reversed, the period over which liability would exist would be effectively reduced as the advice suggests liability would apply for only six years prior to the judgment. As United Response has paid staff undertaking sleep-ins a rate demonstrably compliant with legislation since April 2017 this would suggest that United Response's estimated maximum liability would be for three years. As the appeal to the Supreme Court will now occur, a contingent liability is still 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 £2.6m (2017/18 – a decline of £1.9m).

The total unrestricted operations, through both general and designated funds, but before the effect of gains on investments, recorded a deficit of £2.7m (2017/18 – a deficit of £1.8m).

Overall income, grew by £1.2m to £94.0m in 2018/19 (2017/18 - £92.8m) 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 4.4% to £7.83. 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 2018/19 this was £86.5m or 92% of total incoming resources (2017/18 – £85.5m or 93%).

Total expenditure increased by £2.1m to £96.6m (2017/18 - £94.5m) over the same period. Reduction in designated funds of £0.3m (2017/18 - £0.4m) related to depreciation of fixed assets.

Direct charitable expenditure has increased by £2.5m to 83.5m (2017/18 - £81.0m) due mainly to increasing staff costs. Overall support costs fell to £12.9m (2017/18 - £13.5m).

Voluntary income amounted to £0.3m in the year and was £0.05m lower than the previous year. The costs of raising funds also rose to £0.2m (2017/18 - £0.1m) as fundraising capacity was increased.

Income for activities in the Isle of Man totalled £65k (2018 - £65k) with total costs, including allocated management costs, of £62k (2018 - £56k).

Total net assets fell to £25.5m (2017/18 - £28.1m). Net current assets at 31 March 2019 were £4.8m (31 March 2018 - £10.9m) due primarily to the reclassification of cash on deposit from current assets to investments, so that current assets reflects working capital. Cash held as current or investments was £17.9m (2017/18 - £19.4m).

United Response in Business Limited had gross income of £574k in 2018/19 (2017/18 - £651k) and recorded a breakeven position (2017/18 – Nil). The company's main objective is to provide employment opportunities for people with learning disabilities or mental health needs by running social enterprises.

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. 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 the liquidation process was completed in early March 2018.

During 2018/19 cash investments continued to be invested in line with the organisation's Treasury policy and resulted in a return of 0.8% for the year in line with the low returns available from secure cash deposits.

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.

At 31 March 2019 the target reserve range is £3.4m to £15.6m and United Response had free reserves of £17.1m (2017/18 - £19.5m) which is above the range considered necessary. Given the uncertainty around the size of any potential sleep in back pay liability, the trustees are satisfied that excess reserves are not being held. 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 £8.8m. Without the inclusion of this major risk, the necessary reserve range would be £3.4m to £6.8m 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 £5.7m within a designated reserve.

The trustees have total designated reserves in individual funds for specific purposes. As at 31 March 2019 the total designated reserves level was £7.2m (2017/18 - £7.5m) and during the year £0m of funds brought forward were utilised (2017/18 - £0.4m) - see note 19.

United Response has £1.2m in restricted funds at 31 March 2019 (2017/18 - £1.1m). 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 the Audit and Risk Committee at each meeting and the Board of Trustees twice per year. 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 and that sufficiently robust mitigations are agreed and implemented.

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 above inflation annual rise in the National Minimum Wage has continued, and in 2019/20, an overall staff wage rise of 3% or £2.3m inclusive of the overall cost of living award will be required. 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 2019/20 exercise is now underway with a recovery level targeted to meet at least the rise in wage costs incurred. Additionally, the organisation has continued with 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. The results of this review in 2018/19 has led to the regrettable decision to return certain contracts to funders which will not be financially sustainable.
- A review of service delivery models to ensure that efficient approaches to delivery are adopted including how technological solutions can be used.
- The corporate structure has been reviewed to ensure that services are contracted in a tax-efficient manner allowing for the recovery of a significant element of expensed VAT in future years.

The organisation is fortunate to continue to have a strong and stable reserves base of which only a small element is restricted. The underlying unrestricted and non-designated reserve base at 31 March 2019 was £17.1m (2017/18 - £19.5m).

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 with the potential large pay out required for a back dated Sleep In liability, there continue to be 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.
- Continued to keep its investment portfolio in the form of cash deposits with major UK clearing banks 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 was owned, marketed those properties to increase cash held following successful disposals.

Staff recruitment, retention and engagement

Recruitment and vacancy levels have improved during the year to better than sector benchmarks although continued vacancies lead to increased staff costs in the form of high agency staff utilisation. Staff retention has also improved but the number of staff leaving with less than one years' service, whilst reducing, can still be improved. Staff engagement remains a priority and levels of engagement with in-year consultations on change proposals are less than anticipated. To improve the performance in this area, the organisation has progressed several initiatives including:

- Invested in the creation and rollout of a centralised recruitment service.
- Embedded the new Employer Brand to boost the effectiveness of recruitment campaigns.
- The continued active engagement of the staff consultative body, United Voice, which is proving effective in channelling staff feedback and ideas.
- Ensuring that senior management are increasingly visible within the organisation through a programme of leadership visits to a significant proportion of our services inclusive of area and divisional management meetings.
- Piloting and rollout of the staff led recognition scheme UR Stars where individual and team efforts in demonstrating United Response values are respected and given credit.
- Development of career paths and leadership development programme for staff across United Response.
- Continued pay benchmarking and pay awards in line with the sector.
- Rollout of the United Response Well Being support offer including development of a refreshed and wider range of staff benefits inclusive of financial wellbeing products.

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 working to reduce the likelihood of significant safeguarding incidents and health related difficulties, has been the focus of this last year. The Quality and Safeguarding team have worked alongside the Head of Health and Safety and operational teams to review risks around fire safety and evacuation, to improve our quality audit process and our continuous improvement process. They have developed significant capability to enable teams to better support people to manage their health. We have commissioned an external review of our Safeguarding policy and practices and are currently implementing some of the recommendations to further improve quality levels. We have devoted a significant amount of time and resource to ensuring that we have robust training, policy and systems to support teams to deliver skilled positive behaviour support. This will be supported by improved software that has been designed to enable us to monitor quality across the organisation and to support managers in our quest for continual improvements. This system should be operational during the financial year 19/20.

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 Sleep In back pay liability crystallise, currently estimated at a maximum £8.8M, there would be lower liquid assets available to fund the expansion into alternative income streams. Reducing this dependency remains a strategic aim. In order to mitigate this situation, the organisation is:

- Planning to review its current strategy in 2019-20 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 risks

Internal financial control risk is managed through an internal auditor who focuses on reviewing the management of People We Supports' money within services and the review of key control back office environments e.g. payroll. Trustees are assessing whether the internal audit of financial and other business functions capacity should be increased given the size and complexity of the organisation.

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 2018/19

Trusts, Corporates & Individuals

Astley Hire
Charles Brotherton Trust
The Clothworkers' Foundation
The Tesco Bags of Help Programme
The 29 May 1961 Charitable Trust
Buckfast Abbey Trust
National Lottery Awards for England
Charles Ruddock Trust
York Childrens' Trust
York Dispensary Fund
JMS Supported Living Fund
Norman Family Charitable Trust

Legacies

From the late Geoffrey Smith
From the late Edna Howard Mason

Challenge event participants

Paul Houghton – Great North Run
Heather and Frank O'Neill – Yorkshire Dales
Walking Challenge
Carol Clark – Surrey Bacchus Marathon

Ride London 2018

Tim Cooper
Gary Jackson

18 London Marathon 2018 runners:

Bradley Hayden
Polly Aitman
William Thomas
Emma Green
Charlotte Vallis
Louise Norton
Stephen Ferguson
Jonathan Grossman
Paul England
Charlotte Northmore

Millers Dale Bridge Abseil 2018

Julia Casserly
Tracey Fletcher
Nat Gaskell
Rowan Horton
Imthiaz Rehman
Darren Worthy

28 London Marathon 2019 runners:

Jools Robinson
Celine Sheridan
Leanne Gibbons
Bec Champion
Caroline Hand
Andy McIntosh
Sarah Cook
Candy Baines
Ally Keay
James Smallwood
Frances Ferguson
Finn Ferguson
James Neely
Ryan Johns

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, United Response Services Limited and Robert Owen Communities Limited are wholly owned subsidiary of United Response.

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.

United Response subscribes to the principles of the Charity Governance Code, trustees receive periodic updates on Governance issues from external advisers at strategy away days and will be undertaking a self-assessment against the Governance Code during 2019/20.

The board of trustees meet at least four times per annum and are supported by five 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.

The Nominations Committee acts on behalf of the Board to ensure that appropriate governance arrangements are in place including the recruitment of new trustees.

The Appointments Committee oversees the appointment of the Chief Executive.

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 and engagement with staff remains a priority.

During this last year visible leadership visits to services also included area and divisional management groups across our senior manager cadre.

United Voice, the staff consultation group, continues to be a focus for engagement, discussion and feedback resulting in our staff led recognition scheme of UR Stars which distinguishes the individual and collective efforts of staff in demonstrating the values of United Response.

The continued use of the HUB, our intranet resource, the monthly All Staff Bulletin and monthly cascade briefings from the Chief Executive all support an ethos of engagement and communication at team meetings and one to one discussions.

This year we conducted a whole organisation consultation on proposals to the long standing practices for supporting absence, annual leave arrangements and our employee benefits platform which resulted in positive change for

the future. The follow up to that consultation will be a full engagement survey planned for the last quarter of 2019/20.

Board of Trustees

The trustees who served during the year were as follows:

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 – end of Board tenure July 2019

Sandra Hannington – end of Board tenure July 2019

Sue Jagelman – end of Board tenure July 2018

Bronagh Scott

Alastair Ballantyne

William Hodson

Katherine Rake

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 2019 were:

Chief Executive – Tim Cooper
Director of Operations – Sarah Battershall
Director of IT and Business Change – Jill Lanham – resigned May 2019
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	Auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Telephone Number	020 8246 5200		
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		Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
Charity Registration Number	265249 (England and Wales) 1062 (Isle of Man)		Trowers and Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
Company Number	01133776		
Bankers	Lloyds TSB Bank 3 rd Floor 25 Gresham Street London EC2V 7HN	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 18 July 2019 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 2019 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 2019 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 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 27, 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

23 Jun 2019

Crowe U.K. LLP

Statutory Auditor

London

UNITED RESPONSE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

(incorporating a consolidated income and expenditure account)

		General Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2018 £'000
Income from:						
Donations and legacies	2	102	-	206	308	357
Charitable activities	3	93,625	-	-	93,625	91,988
Investments	4	115	-	-	115	486
Other		-	-	-	-	2
Total income		93,842	-	206	94,048	92,833
Expenditure on:						
Raising funds	5	229	-	-	229	98
Charitable activities	5	96,294	-	109	96,403	94,427
Total expenditure		96,523	-	109	96,632	94,525
Net surplus / (deficits) on operations	7	(2,681)	-	97	(2,584)	(1,692)
Net (loss) / gain on investments		1	-	-	1	(251)
Net income/(expenditure) before transfers between funds	7	(2,680)	-	97	(2,583)	(1,943)
Transfers between funds	19	285	(285)	-	-	-
Net movement in funds		(2,395)	(285)	97	(2,583)	(1,943)
Reconciliation of funds:						
Total funds at 1 April 2018		19,471	7,513	1,136	28,120	30,063
Total funds at 31 March 2019	16	17,076	7,228	1,233	25,537	28,120

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

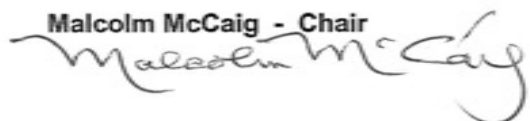
The notes on pages 35 to 60 form part of these accounts.

**UNITED RESPONSE
CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2019**

		Group		Charity	
		2019	2018	2019	2018
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	10	62	136	62	137
Tangible assets	11	6,001	6,222	5,997	6,222
Investments	12	15,157	11,979	15,157	11,979
Total fixed assets		21,220	18,337	21,216	18,338
Current Assets					
Stocks		6	5	5	4
Debtors	13	10,049	11,300	10,133	11,303
Cash at bank and in hand		2,789	7,512	2,718	7,456
Total current assets		12,844	18,817	12,856	18,763
Creditors - amounts falling due within one year	14	(8,060)	(7,946)	(8,015)	(7,895)
Net current assets		4,784	10,871	4,841	10,868
Total assets less current liabilities		26,004	29,208	26,057	29,206
Provisions for liabilities	15	(467)	(1,088)	(467)	(1,088)
TOTAL NET ASSETS	16	25,537	28,120	25,590	28,118
FUNDS OF THE CHARITY:					
Restricted Funds					
Restricted funds	17	1,033	932	1,033	932
Restricted property fund	18	200	204	200	204
Total restricted funds		1,233	1,136	1,233	1,136
Unrestricted Funds					
General Funds	19	17,076	19,471	17,129	19,469
Designated funds	19	7,228	7,513	7,228	7,513
Total unrestricted funds	19	24,304	26,984	24,357	26,982
TOTAL CHARITY FUNDS	16	25,537	28,120	25,590	28,118

These financial statements were approved by the board and authorised for issue on 18 July 2019. The notes on pages 35 to 60 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 £2,583,000 (2018 - deficit £1,943,000).

Malcolm McCaig - Chair



Page 32 Charles Garthwaite - Treasurer



UNITED RESPONSE
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£'000	£'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,481)	(1,273)
Cash flows from investing activities			
Dividends and interest from investments		115	486
Proceeds from the sale of property, plant and equipment		-	16
Purchase of property, plant and equipment		(180)	(185)
Proceeds from the sale of investments		3	10,407
Purchase of investments		-	(1,016)
(Decrease) / increase in cash held for reinvestment		(3,180)	(3,585)
Net cash used in investing activities		(3,242)	6,123
Change in cash and cash equivalents in the reporting period		(4,723)	4,850
Cash and cash equivalents at the beginning of the reporting period		7,512	2,662
Cash and cash equivalents at the end of the reporting period	B	2,789	7,512
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)		(2,583)	(1,943)
Adjustments for:			
Depreciation and amortisation charges		471	571
Returns on investments		(1)	251
Dividends and interest from investments		(115)	(486)
(Gain) / loss on sale of fixed assets		4	(2)
Decrease / (increase) in stocks		(1)	1
(Increase) / decrease in debtors		1,251	(1,015)
Increase / (decrease) in creditors		114	739
Increase in provisions		(621)	611
Net cash provided by operating activities		(1,481)	(1,273)

UNITED RESPONSE
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

Notes to the Consolidated Statement of Cash flows (continued)

	2019 £'000	2018 £'000
B. Analysis of cash and cash equivalents		
Cash in hand	78	100
Cash at bank	2,711	7,412
Total cash and cash equivalents	2,789	7,512

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.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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 and Robert Owen Communities (dormant) 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.

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 organisation has retained a contingent liability with respect to the potential Sleep In back pay liability due to the appeal to the Supreme Court to be held in 2020.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

c) Preparation of the accounts on a going concern basis (continued)

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 £25.5m, of which 70% 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.

The following matters contain assumptions concerning the future, or estimation affecting assets and liabilities at the balance sheet date, that may result in a material adjustment to their carrying amounts in the next financial year:

Note 13 Debtors - Accrued income and Doubtful Debt provision

Note 15 Provisions - Dilapidations

Note 26 Contingent Liabilities - Potential Sleep In back pay liability.

In the view of the trustees, other than those matters disclosed above, 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.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

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.

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.

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.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

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

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

All investments held are included in the balance sheet at market value. All investments currently held are in cash deposits with UK clearing banks to ensure adequate security and liquidity is maintained.

m) Stock

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

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

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.

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 2019

2. Analysis of Donations and Legacies

	Total 2019 £'000	Total 2018 £'000
Donations from trusts		
Clothworkers' Foundation	35	25
Forbes Trust	11	23
Claire Milne Trust	6	-
Groundwork Trust	4	5
Other	7	1
Total donations from trusts	63	54
Other donations, legacies and other voluntary income	245	303
Total donations and legacies	308	357

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

3. Analysis of Income from Charitable Activities

	Contractual Income £'000	Grants £'000	Trading Income £'000	Total 2019 £'000	Total 2018 £'000
Learning disability residential services	12,016	3	-	12,019	12,992
Learning disability supported living services	74,249	19	192	74,460	72,493
Other learning disability services	3,531	-	-	3,531	3,267
Mental health services	2,230	-	-	2,230	1,995
Employment Opportunities for People We Support	989	56	340	1,385	1,241
Total income from charitable activities	93,015	78	532	93,625	91,988

Contractual income in 2018/19 is reduced by £800,000 relating to the release of income accrued in earlier financial years.
Contractual income includes £65,094 (2018 - £65,476) in respect of contracts with the Isle of Man Government.

Grant income is made up as follows:	2019 £'000	2018 £'000
Skills for care	32	39
Grants to support employment (various)	35	126
Other small grants	11	24
Total	78	189

Further details of these grants are included in note 17.

Contractual income is made up as follows:	2019 £'000	2018 £'000
Income from statutory authorities	87,494	86,577
Income from people we support and other sources	5,521	4,693
Total contractual income	93,015	91,270

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

4. Analysis of Income from Investments

	2019 £'000	2018 £'000
Distributions on listed unit trusts and OEICs	-	108
Distribution on property investment trust	-	77
Alternative investments	12	256
Interest on bond funds (OEICs)	-	17
Interest on total return funds	3	20
Interest on cash held within investment portfolio	-	6
Bank interest	100	2
Total investment income	115	486

5. Analysis of Total Expenditure

	Direct Costs £'000	Support Costs £'000 (Note 6)	Total 2019 £'000	Total 2018 £'000
Raising funds	219	10	229	98
Charitable activities				
Learning disability residential services	10,964	1,069	12,033	13,646
Learning disability supported living services	65,687	10,657	76,344	73,190
Other learning disability services	3,391	411	3,802	3,592
Mental health services	1,879	445	2,324	2,066
Employment Opportunities for People We Support	1,278	290	1,568	1,543
Governance costs	332	-	332	390
	83,531	12,872	96,403	94,427
Total resources expended	83,750	12,882	96,632	94,525

Other learning disability services includes total expenditure of £52,957 (2018 - £46,802) in respect of contracts with the Isle of Man Government.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

6. Analysis of Support Costs

	2019 £'000	2018 £'000
Regional support and training	6,210	7,160
Service development and quality	870	778
Communication and policy	398	486
Financial, HR and legal	3,461	2,927
IT	1,414	1,515
General management	519	611
Total support costs	12,872	13,477

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:	2019 £'000	2018 £'000
Depreciation and amortisation	471	571
Auditors' Remuneration (including VAT)	49	58
Other fees paid to Auditors	4	2
Amounts paid under operating leases		
- Land and buildings	1,533	1,409
- Motor vehicles	251	329

8. Trustee benefits and expenses

No remuneration was paid to trustees. A total of £3,565 was paid to 5 trustees for travelling expenses (2018 - £4,870 : 6 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 £11,000 (2018 - £11,000).

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

9. Staff Costs

Total staff costs for the year were as follows:	2019 £'000	2018 £'000
Wages and salaries	68,557	66,604
Social security costs	5,403	5,128
Pension contribution costs	1,523	1,497
Total	75,483	73,229

Wages and salaries includes £745,000 (2018 - £184,000) of redundancy and termination payments which are paid out in accordance with our redundancy policy and legal requirements.

Average number of staff employed	2019 Number	2018 Number
Direct charitable activities	3,717	3,846
Support and governance	285	277
Generating voluntary income	5	3
Total	4,007	4,126

Number of employees whose remuneration (including taxable benefits) exceeded £60,000 during the year	2019 Number	2018 Number
£60,000 - £70,000	2	1
£70,001 - £80,000	2	3
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
Total	10	9

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

9. Details of Staff (continued)

Total pension contributions outstanding at the year end were £273,000 (2018 - £202,000).

Executive Team Remuneration

	2019	2018
	£'000	£'000
Total pay and benefits of the Senior Executive Team	591	585

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

	2019	2018
	£'000	£'000
Cost		
1 April 2018	729	695
Additions	-	34
Disposals	(304)	-
31 March 2019	425	729
Amortisation		
1 April 2018	593	442
Charge for the year	74	151
Disposals	(304)	-
31 March 2019	363	593
Net Book Values (Charity & Group)		
2019	62	136

Intangible assets relate to capitalisation of computer software costs.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

11. Tangible Fixed Assets

	Freehold property £'000	Leasehold property £'000	Furniture & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
1 April 2018	6,584	1,130	2,299	65	10,078
Additions	8	96	71	5	180
Disposals	(9)	(80)	(191)	(22)	(302)
31 March 2019	6,583	1,146	2,179	48	9,956
Depreciation					
1 April 2018	1,100	688	2,016	52	3,856
Charge for the year	166	99	124	8	397
Disposals	(9)	(78)	(189)	(22)	(298)
31 March 2019	1,257	709	1,951	38	3,955
Net Book Value (Group)					
2019	5,326	437	228	10	6,001
2018	5,484	442	283	13	6,222
Net Book Value (Charity)					
2019	5,326	437	224	10	5,997
2018	5,484	442	283	13	6,222

Freehold property includes a property with a net book value of £200,000 (2018 - £204,000) which is subject to the restrictions set out in note 18.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

12. Fixed Asset Investments

	2019 £'000	2018 £'000
Market value at beginning of year	11,979	18,027
Purchases at cost	-	1,016
Disposals at book value	(2)	(10,398)
(Decrease) / increase in market value	-	(251)
Increase / (decrease) in cash held for reinvestment	3,180	3,585
Market value at end of year	15,157	11,979
Historical cost at end of year	15,157	11,979

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

	2019 £'000	2018 £'000
Unlisted investments	-	2
Interest bearing deposits	15,157	11,977
Total	15,157	11,979

The value of investments is split:

In the UK	15,157	11,977
Outside the UK	-	2
Total investments	15,157	11,979

At 31 March 2019 and at 31 March 2018 there were no investments which represent more than 10% of the value of the portfolio.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

13. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	8,311	8,433	8,274	8,348
Amounts owed by group and associated undertakings	-	-	127	95
Prepayments	431	342	430	342
Accrued income	1,203	2,373	1,198	2,367
Other debtors	104	152	104	151
Total	10,049	11,300	10,133	11,303

Trade debtors are stated net of a general doubtful debt provision based on the age of debts of £725,000 (2018/19 - £675,000).
 Accrued income is an estimate of income earned but not yet invoiced.

14. Creditors - Amounts Falling Due Within One Year

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	1,065	925	1,055	922
Accruals	3,222	3,272	3,217	3,254
Deferred income	967	1,046	957	1,044
Taxation and social security	1,330	1,289	1,316	1,268
Other creditors	1,476	1,414	1,470	1,407
Total	8,060	7,946	8,015	7,895

All deferred income as at 31 March 2018 was released during 2018/2019.

15. Provision for Liabilities and Charges

	Provision for SCCS liability	Provision for Dilapidations	Total Provision	
	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
Opening balance	600	488	1,088	477
Utilised in year	(72)	(21)	(93)	(49)
Released unused during the year	(528)	-	(528)	-
Additional amount provided	-	-	-	660
Closing balance	-	467	467	1,088

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

15. Provision for Liabilities and Charges (continued)

The provision for dilapidations provides for the cost of repairs arising as a result of obligations under property leases. In 2018 a provision was established to allow for non-sleep in payroll related liabilities arising from joining the Social Care Compliance Scheme (SCCS). This liability was settled during 2018/19.

16. Analysis of Net Assets between Funds

	General Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	2019 Total Funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	62	62	-	62
Tangible fixed assets	-	5,648	5,648	353	6,001
Investments	15,157	-	15,157	-	15,157
Current assets	10,446	1,518	11,964	880	12,844
Current liabilities	(8,060)	-	(8,060)	-	(8,060)
Provisions for liabilities & charges	(467)	-	(467)	-	(467)
Total net assets 31 March 2019	17,076	7,228	24,304	1,233	25,537
2018 Comparative Disclosures	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

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

17. Restricted Funds

	Balance 31 March 2018 £'000	Income £'000	Expenditure £'000	Balance 31 March 2019 £'000
Time For You	15	-	-	15
Cornwall Supported Employment	3	-	-	3
Development of the Retreat, Kent	5	-	(5)	-
Carers' Project	98	-	-	98
North East Division	48	21	(6)	63
South West Division	49	20	(40)	29
South East Division	87	64	(22)	129
North West Division	70	20	(18)	72
Devon	137	28	(8)	157
Other restricted funds	72	54	(1)	125
Subtotal	584	207	(100)	691
Represented by tangible fixed assets:				
North East Division	2	-	-	2
South West Division	140	-	-	140
South East Division	9	-	(6)	3
North West Division	8	-	-	8
Devon (formerly ROC)	189	-	-	189
Total excluding restricted property fund	932	207	(106)	1,033
Restricted property fund (see note 18)	204	-	(4)	200
Total	1,136	207	(110)	1,233

17. Restricted Funds (continued)

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.

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.

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.

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.

Funds represented by tangible fixed assets - these funds relate mainly to improvements to properties, including houses owned by United Response in West Sussex and Devon and leased in Suffolk, Essex and Kent.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

17. Restricted Funds (continued)

2018 Comparative Disclosures

	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
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

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 2019

19. Unrestricted Funds	Balance 31 March 2018 £'000	Transfers during the year £'000	Utilised during the year £'000	Balance 31 March 2019 £'000
Business development fund - general	28	-	-	28
IT strategy fund	79	-	-	79
Property fund	1,061	-	-	1,061
Pension fund	100	-	-	100
Maintenance fund	250	-	-	250
Intangible Fixed Assets	136	(74)	-	62
Tangible fixed assets	5,859	(211)	-	5,648
Total designated funds	7,513	(285)	-	7,228
Unrestricted general funds	19,471	285	(2,680)	17,076
Total unrestricted funds	26,984	-	(2,680)	24,304

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.

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.

Property fund - to help fund the purchase of properties to support the development of the charity's activities. These funds are likely to 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 2019

19. Unrestricted Funds (continued)

2018 Comparative Disclosures	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)	0
Projects fund	-	8	(8)	0
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

20. Capital commitments

There were no capital commitments in either 2019 or 2018.

21. Operating Lease commitments

	Land and buildings		Vehicles	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Total of future minimum lease payments under non cancellable operating leases:				
within one year	736	809	176	168
within two to five years	519	706	119	260
after five years	176	243	-	-
Total	1,431	1,758	295	428

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 2019 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.

In 2016 the charity acquired 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). ROCH, a UK charitable company with registered charity number 1082257 and company number 03851512, was dissolved on 4th December 2018. ROC was dormant during the year. The registered address of ROC is Highland House, 165 The Broadway, London SW19 1NE.

In January 2019, United Response Services Limited (URS) was formed as a wholly owned subsidiary of United Response. URS is registered as company number 11788717 and £100 share capital was invested by UR. The company was dormant in the year ended 31/3/2019. URS will contract directly with some local authorities in future financial periods. The registered address of URS is Highland House, 165 The Broadway, London SW19 1NE.

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 2019

22. Subsidiary Undertakings (continued)

Financial activities of Subsidiaries in 2019	2019 URS £'000	2019 ROC £'000	2019 URIB £'000	2019 Total £'000
Sales revenue	-	-	515	515
Grants receivable	-	-	59	59
Total turnover	-	-	574	574
Salaries and wages	-	-	175	175
Other costs	-	-	399	399
Total operating costs	-	-	574	574
Trading (loss)/profit	-	-	-	-
Retained (loss)/profit	-	-	-	-
Retained loss brought forward		-	(99)	(99)
Retained loss carried forward		-	(99)	(99)
Net Assets		-	2	2
2018 comparatives	2018 ROCH £'000	2018 ROC £'000	2018 URIB £'000	2018 Total £'000
Financial activities of subsidiaries in 2018	£'000	£'000	£'000	£'000
Income	-	-	552	552
Donations and 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	(454)	(3,636)	-	(4,090)
Retained (loss)/profit	(454)	(3,636)	-	(4,090)
Retained loss brought forward	454	3,636	(99)	3,991
Retained loss carried forward	-	-	(99)	(99)
Net Assets	-	-	2	2

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 2019 was £287,000 (2018 - £331,000). 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 2019, 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 2018/19, the charity charged URIB with management fees totalling £22,000 (2018 - £17,000). 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 2018/19, the charity provided grants to URIB totalling £58,000 (2018 - £102,000). 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 2018/19, the charity charged URIB with £8,000 (2018 - £44,000) 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 2018/19, URIB charged the charity with £5,000 (2018 - £10,000) 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.

In 2018/19 ROC continued to receive monies on behalf of United Response until it's bank was closed and net receipts £88,000 were paid to UR during the year (2018 - £612,000).

On 4th December 2018 ROCH was dissolved. In 2018 ROCH had also received and transferred £30,000 to UR.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

25. Consolidated Statement of Financial Activities for the year ended 31 March 2018
 (incorporating a consolidated income and expenditure account)

	General Funds 2018 £'000	Designated Funds 2018 £'000	Restricted Funds 2018 £'000	Total Funds 2018 £'000
Income from:				
Donations and legacies	89	-	268	357
Charitable activities	91,984	-	4	91,988
Investments	486	-	-	486
Other	2	-	-	2
Total income	92,561	-	272	92,833
Expenditure on:				
Raising funds	91	-	7	98
Charitable activities	93,868	395	164	94,427
Total expenditure	93,959	395	171	94,525
Net deficits on operations	(1,398)	(395)	101	(1,692)
Net losses on investments	(251)	-	-	(251)
Net income/(expenditure) before transfers between funds	(1,649)	(395)	101	(1,943)
Transfers between funds	243	(243)	-	-
Net movement in funds	(1,406)	(638)	101	(1,943)
Reconciliation of funds:				
Total funds at 1 April 2017	20,877	8,151	1,035	30,063
Total funds at 31 March 2018	19,471	7,513	1,136	28,120

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 flat 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 have needed 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. Consequentially, in December 2018, UR submitted a nil return to the SCCS with respect to any sleep in back pay liabilities.

26. Contingent Liability (continued)

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

Whilst the Court of Appeal decision was unanimous and considered by United Response, the sector and certain legal commentators to be clear on the issue, in March 2019, the Supreme Court allowed for an appeal against the Court of Appeal hearing to be heard and this is scheduled to be heard in February 2020. Should the appeal be lost, then there would be no sleep in back liability. However, 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 a time period prior to April 2017 returns. United Response has taken legal advice as to the time period that would be relevant if the Court of Appeal decision be overturned and has established that this is a maximum period of six years preceding the date of the Supreme Court judgement. For the purposes of estimating the contingent liability, it has been assumed that a judgement would be delivered on 1/7/2020 and, consequentially, no liability could exist on or before 30/6/2014. The period of liability is therefore from July 2014 to March 2017 when sleep-in payment arrangements changed. This is the main reason for the reduction in the estimated liability to £8.8m (2017/18 - £16.8m) as previously the liability was based on a six year period prior to joining the SCCS in December 2017.