

COMMUNITY INTEGRATED CARE

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Charity Registration Number: 519996

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Community Integrated Care – Year ended 31 March 2020

2019/2020 Report and Financial Statements

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Community Integrated Care

Objectives and activities

Community Integrated Care ("the Charity") is a company limited by guarantee and a registered charity with both the Charity Commission for England & Wales and the Scottish Charity Regulator, OSCR. The core purpose of the Charity is to help those in need because of age, ill-health or disability and to provide care and support services to vulnerable adults through promotion and delivery of independent living, residential and nursing care across the United Kingdom. The Charity aims to deliver outstanding care and support within the community, to people with learning difficulties, mental health concerns, autism, age related needs and dementia. It seeks to transform the lives of people we support, our colleagues and the communities we live in.

We believe that having a disability should not mean exclusion from opportunity, dignity or equality and our mission is to change lives by delivering world class support to people with care needs and by being a leading employer of exceptional people.

The Charity's ethos underpins everything it does: we are proud of our people, we care with passion, and we believe in the potential of every person we support and every colleague we employ. Chosen by our people, our vision statement is simply "Your Life, Your Choice". We believe this impactful statement sets out what it is we want Community Integrated Care to achieve – a society in which people are in control of their own lives.

The Charity's ambitious and uncompromising attitude is reflected in its five key values:

- **INCLUDE** the people we support, our staff, our partners and the communities we work in.
- **DELIVER** the best possible outcomes for the people we support and the partners we work with.
- **ASPIRE** to be the best at what we do.
- **RESPECT** individual choice and promote inclusion, rights and independence.
- **ENABLE** individuals to meet their needs and fulfil their aspirations.

In conjunction with these values and as part of our strategic plan, the organisation has adopted an ambitious communication strategy to encourage staff to be bold and brave in achieving the Charity's aims and objectives under the motto of "We Dare" to:

- challenge the expectations and perceptions of the social care sector by delivering world-class support and ambitious models of care;
- enrich the lives of the people we support, their loved ones and the communities we work in;
- ensure that our colleagues, customers and communities receive the best support from our central Support Services;
- champion the amazing people who work in the care sector, to enable them to make the most of their talents;
- speak up for those whose voices are not always heard and challenge discrimination;
- be brave and imaginative in finding new ways to make the world a better place; and
- bring our goals to life by investing our resources in our colleagues, customers and communities.

The last 12 months has seen another period of steady growth and the laying of strong foundations for future growth and efficiency based around our key strategic projects to support delivery of our 2023 strategic objectives, against the backdrop of continuing funding challenges facing the social care sector and yet further deferral of the Government's strategy for sector reform.

The core activities of the Charity remain the provision of support to vulnerable adults in residential and supported living environments. The principal activity of the Charity is to be a provider of services commissioned by local authorities. As at 31 March 2020, there were 2,756 individuals supported, which included 1,997 (72%) adults with learning disability, autism and other complex needs, with a further 759 elderly nursing and residential beds across 18 care homes in England and Scotland. Total income increased from £128m to £131m and whilst the performance of Older People's Services in England remains disappointing, other regional operations continue to perform well. Trustees remain confident that actions, which

are now well progressed to resolve underperforming services will address the immediate deficit position and together with delivery of strategic projects, will return the Charity to a sustainable surplus, subject to the unbudgeted and continued effects of the COVID-19 pandemic.

Financial results for the year before exceptional items reflected an underlying trading deficit of £1.1m which was in line with expectation. Notwithstanding a £4.2m deficit in our Older People care homes in England, financial performance has otherwise been positive. There has been a further £0.8m invested in strategic projects, focussing on engagement and recognition of our front-line colleagues and digital transformation to create a platform for future growth. These strategic projects are intended to enable the generation of financial surpluses in the future, which will be reinvested back into colleagues, communities and customers.

In the year ended 31 March 2019, Age Exchange, a reminiscence arts charity, became part of the Group launching its ambition to become a more specialist provider and supporter of dementia alongside our EachStep brand and to become more actively engaged in fundraising and volunteering programmes. During the year, the Group raised £276k of fundraising income (2019: £582k) and it expects to see year on year improvement as it seeks new sources of grants and corporate sponsorship following a renewed focus in this area.

With 5,472 employees, the Charity recognises the amazing dedication of its front-line colleagues, often working for National Living Wage (or National Minimum Wage for those aged 24 and under) within the restricted cost envelope of local authority budgets. It remains committed to applying wider political pressure to recognise the unsung heroes of social care and celebrated its own extraordinary people at the inaugural We Dare Awards event in April 2019, which was organised to recognise its own colleagues.

Regional levels of activity for 2019/20 are summarised below:

Region	Income from Charitable Activities £m	Number of people we support	Number of Services	Number of Employees	Full Time Equivalent
South & Central	15	406	57	553	417
North West	31	739	147	1254	970
North East	30	543	113	1271	941
Scotland	21	309	83	838	597
Older People Services	33	759	18	1332	940
Support Services				224	210
Total	130	2,756	418	5,472	4,075

The details of the Charity and the dedication of its employees in improving the lives of the people supported can be found on the Charity's website (<http://www.c-i-c.co.uk>) and in the latest Annual Review <http://www.c-i-c.co.uk/our-publications>.

Strategic Report

2019/20 Achievements and Performance

With the further delay in the expected proposals to reform the sector, Adult Health and Social Care continues to face a period of uncertainty with a significant funding gap and increasing regulatory demands. The sector challenges and opportunities are identified below:

- Demand for social care relating to the vulnerable and elderly will continue to increase.
- Increasing complexity of need and increasing levels of care in the home is expected.
- On-going pressure on funding against statutory increases in payroll costs and sleep-in legislation.
- Strong employment markets with on-going recruitment and retention issues.
- Consolidation of the third sector expected to create efficiency in back office costs.
- Commissioner budgets demand solutions for new and efficient models of care.
- Continual improvement required against CQC/CI expectation.
- Recurring budget and regulatory challenges are expected across local authorities and the sector.
- Transformation and efficiencies of front-line care required utilising new technology.

The Charity's principal achievements in the pursuit of its strategic aims were as follows:

Awards

2019/20 was a remarkable year for the Charity as it was shortlisted for 61 awards recognising the world-class support delivered by its exceptional colleagues. The Charity was awarded the Charity Times Charity of the Year award, with judges highlighting dedication to the sector and the tenacity to challenge the status quo. It is the first time a social care charity has been awarded this prestigious award.

Engaging and Developing Colleagues

Employee Value Proposition Launch

The key to any successful strategy is the people who deliver it. The Charity recognises the need for its people to be motivated by the strategy and engaged with it. To create this strong foundation, it created "The Deal", an Employee Value Proposition (EVP), setting out how it should feel to work for the Charity and the benefits provided, but also what is expected in return. Throughout 2019/20, the Charity continued to build on what it means to be a part of Community Integrated Care and to recognise its colleagues with reward and recognition schemes.

Dare to Share Employee Engagement Survey

In 2019, the Charity launched its biggest internal survey yet, which generated a response rate of 48%. Colleagues told the Charity how they felt about working at Community Integrated Care and what it could be doing better. The Charity now has a wealth of information and insights to take positive action to support colleagues and which will make Community Integrated Care an even better place to work in the future. Key themes arising from the survey show that the Charity is engaging better with a majority reporting that they know what is expected of them, are empowered to make their own decisions and feel their role is important in the context of delivering the Charity's strategy. Further development is required, and planned, in areas of recognition and wellbeing, as well as improvement in the effectiveness and visibility of local and national leadership.

Launch of a new Learning & Development platform "Dare To Learn".

The investment in Learning & Development has seen the Charity's training compliance increase from 77% at the start of 2017 to 92% at the end of 2019, thanks to improved access to courses and better reporting of data. In the past year, it has completed 15,409 hours of training and over 2,500 days of learning collectively.

We Dare Awards

To celebrate its people, projects and partnerships, the Charity held its inaugural We Dare Awards event in April 2019. With 657 nominations from colleagues and communities, the most inspirational 59 entries made it to the ceremony representing the huge social impact of our 5,500 colleagues, the very best partnerships and the achievements of the people supported. The event was paid for by raising sponsorship and donations from corporate and community partners. Holding the event represented a commitment to colleagues and the people supported by the Charity, as it strives continually to give social care the platform it deserves.

Nourish

The Charity continues to embrace new technologies and has introduced an innovative third party platform called Nourish, which is a care planning tool that allows colleagues to monitor and record the care and support they provide on-the-go, using handheld electronic devices. After an initial pilot, it will now be rolled-out to all services over the coming year.

Age Exchange

Following the merger in 2018, Community Integrated Care has worked closely with Age Exchange to develop and expand its offering. In 2019, the first Age Exchange programme outside of Blackheath was created. In early 2019, Age Exchange was awarded a grant from the 'Building Connections Fund', a partnership between the Department for Digital, Culture, Media & Sport, The National Lottery Community Fund and the Co-op Foundation, which aims to tackle loneliness and isolation in response to the findings of the Jo Cox Commission. The funding was awarded to Age Exchange to operate a new pioneering service at the Charity's EachStep Blackley care home, transforming the lives of people with dementia. This initiative represented the first partnership between the two charities, providing award-winning support in the heart of the North Manchester community. October 2019 saw a huge step forward in the partnership, with a high-profile event taking place at the House of Lords. The evening showcased the vision for Age Exchange to an audience of philanthropists, stakeholders and industry leaders from a variety of sectors.

Leadership Roadshow Events

To engage with the Charity's internal leaders, it held its twice-yearly roadshow event focusing on "A Happy and Healthy Workplace" to highlight the importance of wellbeing and give managers the tools to help their wider teams.

Quality Advisors

In 2015 the Charity introduced Peer Reviewers, a formidable team of people supported and employed by the Charity to review the quality of services as experts by experience. Since then, this team has added value to the Charity by providing insight into the experiences of the people supported and has now been formalised as the Quality Advisor group.

Advocacy and Campaigning

In the last 12 months the Charity's Chief Executive Officer, Mark Adams, has attended a number of briefings at Westminster presenting the work of the Charity to sector leaders. Mark met with over 30 MPs at a #SolveSleepIns event to highlight the Government funding needed to support and fund the potential crisis in sleep-in back pay. He has presented in Parliament at the 'Sport You Can' event during Learning Disability Week, showcasing the innovations from the Charity whilst also meeting separately with Cabinet and Shadow Ministers about the future of social care. In April 2019, the Charity partnered with the Department of Health and Social Care to be part of the national 'Every Day is Different When You Care' recruitment campaign. Jon Ashworth, Shadow Secretary of State for Health and Social Care, also visited a learning disability service, Gilmorton Flats, celebrating National Learning Disability Week with his constituents.

Partnerships and Communities

Sport

Community Integrated Care's role as the official Social Care Partner for the Rugby Football League and Super League saw the Charity create and secure funding for a range of innovative projects in its communities across England that promote health, happiness, and social inclusion. At the heart of this effort is the Community Integrated Care Learning Disability Super League, a ground-breaking inclusive sports programme that gives people with learning disabilities and autism the chance to live their dreams and play for 12 major rugby league clubs at special festivals and Super League events. This project earned significant national and international recognition. This included being showcased at Parliament, being named as one of the five best community programmes in world sport by the international Leaders Sports Awards and Facebook, alongside projects by the likes of the NFL and Premier League, and being honoured at the British Sports Awards. It was named as the Best New Model of Care by Skills for Care, won regional awards in every relevant Great British Care Awards category, and received a special standalone honour at the Third Sector Care Awards.

The Charity's partnership with the RFL and Super League has seen it go on to form new collaborations and grow existing ones with the charitable foundations of leading clubs, including Leeds Rhinos, St Helens RFC, Warrington Wolves, Wakefield Trinity and Widnes Vikings. In these it has created during 2019/20 or secured for 2020/21 a variety of projects including multi-sports and physical activity sessions, social clubs, employability programmes, work placements, anti-discrimination campaigns and service outreach projects. In 2020, it also secured a partnership with the 2021 Rugby League World Cup as the tournament's Official Social Care Partner, which will mean the Charity will be working to secure a range of funded legacy projects that promote opportunity and inclusion through the event.

In the world of football, the Charity has developed a new partnership with the charitable foundation of Portsmouth FC and has entered the twelfth year of working with Middlesbrough FC in the local community. Both of these partnerships won the Best Innovation award at their respective regional Great British Care Awards. The Charity has also committed to sharing learning, including becoming founding members of a Sport England leadership group aimed at encouraging best practice for physical activity for people with disabilities.

Entering 2020/21, the Charity has significant potential to scale up this body of work with new partners and to continue to add value to the people supported and the communities in which the Charity works through developing collaborations and securing external funding.

Arts and Culture

The Charity has developed strong links with the cultural sector in the Liverpool City region in recent years piloting arts and culture projects, which it aspires to replicate nationally in the future. In 2019/20, the Charity secured a photographer in residence project with Open Eye Gallery for its Knowsley extra care services. This role will aim to build a stronger community in and around the service, provide new experiences to residents and prevent isolation. The Charity is grateful to Arts Council England and Baring Foundation for their funding of this role. The Charity also provided specialist dementia training to the Socially Engaged Photography Network. This group comprises more than 250 members working across England and Scotland who specialise in creating inclusive, socially conscious photography. In providing this session, the Charity has enabled some of the country's best photographers to feel more confident in working with people who live with dementia, their families and social care workers.

The Charity's longstanding partnership with the Foundation for Arts and Creative Technology (FACT) continues. This year, it partnered with the organisation and Liverpool City Council to contribute to a creative exploration of the Future World Of Work, sharing the insights of its colleagues and the people supported in the potential future of social care. The archive of this project, which was commissioned to mark the decade anniversary of Liverpool's International Capital of Culture programme, can be viewed at <https://thefutureworldofwork.co.uk>. The Charity started the financial year by opening a new arts-based dementia day care service – the 'EachStep Club' at the EachStep Blackley Care Home.

The service, which uses arts, creativity and reminiscence to transform the lives of people living with dementia and their carers, has been achieved thanks to a charitable grant in memory of Jo Cox MP.

Citizenship

The Charity finished the financial year earning a £10,000 financial award from Nesta, the national innovation agency, in recognition of its status as being one of nineteen leading organisations working to promote democracy with typically marginalised or hard to reach groups. This investment recognises the Charity's past creation and implementation of 'Promoting Our Voting', a unique guide that develops the skills of support workers and families to enable people with support needs to vote in general elections. This guide was created by the Charity in 2015 and has been used to promote democratic activity within the Charity and the wider sector. The investment from Nesta will help provide training and development to the Quality Advisor group, enabling them to create toolkits and personal development sessions for people who access social care to build their democratic understanding. This commitment is fundamental to the Charity's belief in the rights and equality of the people supported and believes the link with Nesta will become an important long-term relationship.

The Charity was also grateful to receive investment of £18,000 from the Merseyside Waste and Recycling Authority and Veolia to create paid employment for a person receiving support to deliver recycling activity and education across the Liverpool City region. This project saw the creation of the first accessible guide to recycling.

Research and Academic Partnerships

In 2020, the Charity became a founding member of the Applied Research Collaboration, North West Coast. This £9m project aims to bring together the NHS, researchers, innovators and social care providers to develop new solutions for tackling health inequalities and builds on the Charity's experience in supporting research through the National Institute for Health Research. The Charity has also helped establish the University of Worcester's Meeting Centre Advisory Group, which seeks to learn from and replicate the Dutch model of social care in the UK.

Key Strategic Objectives 2018-2023

For many organisations, it makes sense to visualise a strategy using a traditional pyramid style as it creates a natural hierarchy and illustrates a feeling of structure, with one layer built on a foundation of another. At Community Integrated Care, an inverted pyramid is used to include all the key factors of our strategy, but staff and the people supported are placed at the top, being the main focus of the organisation.

After a period of research and consultation with colleagues, in March 2018 the Board of Trustees approved a new five-year strategy, putting colleagues, people supported and communities at the heart of all the Charity does. Its ambition is to deliver year on year growth to £200m by 2023 and to make a net surplus of £10m (5%), to be reinvested in the people supported, their communities and front-line colleagues. This ambition has been further refined throughout the year and in 2020/21 the Charity will launch the Best Life Possible element of the strategy, which will set out in more detail the steps to be taken to achieve the 2023 targets and how surpluses will be used in support of the three identified groups.

In signing-off the new strategic plan, the Board of Trustees approved investment of reserves into six new strategic projects covering:

- A **Culture Project** that supports a fully engaged and appropriately rewarded workforce, improved retention levels and recognition as an employer of choice through a mutually agreed and competitive EVP.
- An efficient **Learning & Development** function that enables compliant, consistent and effective workforce delivery.
- **Digital transformation** for care planning, which is regarded as key to providing consistent, efficient and new models of service delivery.
- A focussed **Business Development** function to ensure retention of key contracts, growth with new commissioners and new Extra Care and Acquired Brain Injury services, improving overhead efficiency and a higher blended margin.
- **Effective Quality Management** and delivery through an EFQM system providing control, consistency and visibility of performance and regulatory compliance.
- **Maximising Charitable status** to be recognised as a provider of choice delivering community and wider social impact value and enhancing service provision through fundraising and volunteering.

The Charity will know it has been successful if it achieves:

£200m turnover	Business development targets set and delivered.
£10m (5%) surplus delivered	Elimination of loss-making services and new work secured.
10,000 people supported	New technology supported care models rolled-out.
Top quartile provider for quality scores	87% of English services rated either Good or Outstanding by the CQC and 88% of Scottish services rated at least 4 by the Care Inspectorate as at 31 st March 2020
Top 3 employer of choice	Pulse surveys to be introduced in 2020.
Thought Leader	Charity profile raised within sector.
5% of income from charitable donations	Investment in additional fund-raising capability.

Financial review

The financial results for the year are set out on pages 28 - 46.

Having previously set out a new and ambitious five year strategic plan, financial results for the year to 31 March 2020 included plans to utilise up to £1.5m of reserve for further investment in people and projects, demonstrating the Charity's desire to recognise the contribution of front-line carers and to develop a strong platform and efficient processes to deliver long term sustainable growth and surplus. The overall trading deficit of £1.1m was therefore in line with expectation.

After another successful year of growth in Independent Living services, the Charity has increased income levels to £131m (2019: £128m) but after investment in people and projects and the impact of losses in some underperforming care homes, the Charity recorded net expenditure of £1.0m (2019: £6.9m). The Charity retains £37.2m of net assets (2019: £38.4m) and continues to meet all bank covenants. The charity has a reserves policy equating to maintaining unrestricted reserves equivalent to 3 months expenditure. With unrestricted reserves of £30.7m, the Charity remains committed to rebuilding its reserves in line with its reserves policy by a combination of improved financial performance and active portfolio management.

It was another challenging year for the Older People's care homes in England, losing £1.8m (2019: £2.3m) and plans are ongoing to eliminate all financial losses in the care homes in 2020. The care home division has been severely impacted by the COVID-19 pandemic, with some surplus generating homes moving into deficit positions. Management and Trustees continue to monitor both the division and wider market for recovery prospects.

Income of £97m from the Independent Living division represents 74% of group income, making positive contribution to central overhead of £12.6m (13.0%) and after apportionment of central overhead returns a net surplus for the Charity of £2.8m (2.9%). Strategic projects continue to progress well in providing a strong platform to deliver operational and overhead efficiencies through growth, higher quality of services and earnings, improved retention, lower relief costs and ultimately improvement in the overall blended margin of Independent Living services to deliver a 5% surplus by 2023.

After well documented legal cases regarding whether payment of National Living Wage applies when support presence is required overnight but where the carer can be asleep, the Court of Appeal found in July 2018 that time spent asleep is not working time and National Living Wage does not apply. The Charity has also received acceptance from HMRC of its submission under the Social Care Compliance Scheme (SCCS) and does not therefore recognise any liability for retrospective claims under current legislation.

With an appeal heard by the Supreme Court in February 2020 but no final decision announced as yet, the sector continues to operate in a period of uncertainty and therefore the Charity continues to monitor and mitigate exposure by increasing standard sleep rates and pursuing commissioners for higher fees for night time support involving sleep-ins. Whilst the Supreme Court decision is expected in 2020, it is still not clear when this will be announced.

Revenue and costs

The Charity's primary funding source remains public sector contracts for the provision of care services. There has been an increased focus on charitable purpose and a new emphasis on grants and corporate fundraising to support our communities during the year and it is pleasing therefore to recognise £276k of fundraising income for the year (2019: £582k).

The Charity continues to invest in its people, systems and processes and our support costs increased to £17.4m for the year (2019: £16.2m). This equates to 13.3% of the Group's incoming resources (2019: 12.7%) and includes investment to support future growth of the Charity and in ensuring regulatory compliance.

The Charity ensures that expenditure supports its key objectives by closely monitoring achievements against its key performance indicators (KPIs). These include financial measures such as operating surplus percentage, staff costs as a percentage of income, number of services in operating deficit, agency cost as a percentage of staff cost and total overhead as a percentage of income.

Reserve policy

Group reserves at 31 March 2020 have reduced to £38.2m (2019: £39.4m). Within this balance are restricted reserves of £7.3m (2019: £7.6m) represented by a mixture of freehold and leasehold land and buildings donated to the Charity by several local authorities and public bodies. Disposal of these buildings is subject to the approval of the donating authority. The Group's reserves policy is to maintain unrestricted reserves at a level which, as a minimum, covers three months' operational expenditure. As at 31 March 2020, unrestricted reserves stand at £30.1m (2019: £31.8m) and three months' operational expenditure equates to £34.7m (2019: £32.3) and therefore the required level of reserve has not been met. Notwithstanding this, Trustees are satisfied with the size of reserve and are confident that the level of reserves and the structure of the balance sheet are sufficient to deliver the Charity's objectives even in the face of unprecedented pressure from the COVID-19 pandemic. The Trustees remain committed to the reserves policy and will look to rebuild reserves from future surpluses. Trustees review the policy and level of reserves on a regular basis and whilst it is considered to remain prudent and appropriate recognise the need to maintain the policy under review as the mix of assets and liabilities changes in the balance sheet from the active management of the portfolio of services.

Going Concern

Accounting standards require the Board of Trustees to consider the appropriateness of the going concern basis when preparing financial statements. In early 2020, the Charity began to be impacted by the COVID-19 pandemic and by March 2020 had decided to invest reserves in its front-line workforce through enhanced pay and sick-pay benefits, as well as sourcing additional PPE and specialist decontamination services. At the time of filing, the pandemic remains a part of everyday life for the Charity and whilst it has received some support from commissioners and Government, it still faces significant historic and on-going additional costs. In order to consider the appropriateness of the going concern basis it has prepared and reviewed a scenario analysis looking at worst case, best case and expected case scenarios. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the ability of the Charity to meet its liabilities over the medium term. With a net cash position of £12.7m at 31 March 2020 and forecast gross balances that remain in excess of £10m, as well as an overdraft facility of £1m, the Charity is confident that it has adequate resources to continue operational activities for the foreseeable future and that it has sufficient cash to meet all loan repayment commitments.

Investment Policy

The Charity has the power to make investments which the Board of Trustees deem to be appropriate in meeting charitable objectives. The Finance and Investment Committee ensures that procedures and safeguards are in place to ensure that the Charity's resources are managed appropriately, are in accordance with its charitable purpose and that the return from assets and capital employed meets the expectations and approval of the Board of Trustees.

The Charity does not currently hold any financial investments but places surplus cash in interest bearing accounts with investment grade rated UK financial institutions.

Cash flow

Net cash inflows from operating activities reduced slightly to £4.3m (2019: £4.6m), there was a net inflow from investing activities at £1.5m (2019: £0.6m outflow). The Charity refinanced an element of its long-term borrowing during the period with a £3.3m inflow from a new Charity Bank loan plus surplus cash, allowing the repayment of RBS loans totaling £4.5m and resulting in net outflows from financing activities of £1.5m. (2019: £4.7m). Cash balances as at 31 March 2020 therefore increased to £12.7m (2019: £8.4m) with net cash after loan balances increasing to £9.4m (2019: £3.9m).

Long term borrowing

After refinancing on improved terms and scheduled capital repayments secured loans have reduced to £3.3m (2019: £4.6m), including consolidation of long term borrowing by Age Exchange of £0.5m.

Pension liabilities

The Charity is obliged under FRS102 to provide for its share of any reported pension deficit at the balance sheet date from those benefit schemes of which it is a member. With the Local Government Pension Scheme for Dumfries and Galloways in deficit, the Charity's share of the pension liability was £722k as at 31 March 2020, (2019: £482k). The Local Government Pension Schemes for Greater Manchester reported combined net pension assets of £1.1m as at 31 March 2019 (2018: £1.0m) but since the Charity is unable to recover any surplus through either reduced contributions in the future or through funds from the scheme, this has not been recognised in the statement of financial activities (SOFA) for the year.

Subsidiary undertakings

The Charity has three active subsidiary undertakings, namely Person Centred Housing (PCH), Technology Integrated Care LLP (TIC) and Age Exchange (AE). PCH and AE are limited companies by guarantee with Community Integrated Care being the sole member. TIC is a subsidiary which is a 50% partner of a joint venture LLP.

Related parties and interests

Details of related party transactions and interests in other group companies are set out in Note 11 on page 39.

Funds held as custodian trustee

The Charity is the custodian trustee of residents' personal monies totalling £6.5m as at 31 March 2020 (2019: £6.1m). These funds are excluded from the financial statements.

Trustee indemnity insurance

The Board of Trustees have the benefit of Trustee Indemnity insurance cover of £10m, which is authorised in the Articles of Association. Such insurance was in force during the year ended 31 March 2020 and remains in force in relation to certain losses and liabilities, which the Trustees may incur to third parties in the course of acting as a Trustee (Director) of the Charity or of any subsidiary undertaking.

Fundraising policy

The Charity's fundraising activity is largely represented by in-house events, legacies, corporate fundraising with local companies and national partners and gifts from trusts and foundations.

It does not currently use professional fundraisers or commercial partners to help it deliver its work. The Charity complies with current regulations and best practice set out by regulatory and professional membership bodies: The Fundraising Regulator, the Institute of Fundraising, the Scottish Charity Regulator (OSCR) and the Scottish Council for Voluntary Organisations (SCVO). Due to the nature and logistics of delivering fundraising across multiple sites, it is aware that the potential for breaches of fundraising compliance exist and manages and minimises these risks through implementing compliance policies with a focus on training and inductions for new starters, quality checking and audits.

It engages proactively and works with the Fundraising Regulator and other professional bodies to ensure that any concerns raised are addressed as a priority. There has been one reported fundraising complaint received in the 2019/20 financial year, which has been addressed and the matter has now been closed. The Charity employs a code of conduct to protect vulnerable people, which all fundraisers must adhere to, and has published its Adults in Vulnerable Circumstances

Policy to ensure all staff have full guidance in this area. The Charity’s registration with the Fundraising Regulator and commitment to following, reviewing and consulting on the Code of Fundraising Practice includes safeguarding its supporters’ interests.

Principal risks faced by the Charity and how they might affect future prospects

The success of the We Dare Strategy and its objectives is reliant on robust governance, risk management and assurance. Risk is managed using a “three lines of defence” model. The Risk Management Framework is reviewed annually by the Board and risk appetite is set for specific risks as part of the annual planning process in order to ensure that business performance and risk appetite is aligned. Performance against specific risks is measured and monitored by the Board through reporting to its committee structure and issues are escalated, as necessary. The Strategic Risk Register is reviewed regularly by the Board. Internal Audit provides an additional level of independent assurance to the Board.

The Charity’s approach to risk management is based on the principle that risk management capability must be embedded across all areas of the Charity to be effective. This overriding principle embodies the following concepts:

- the welfare and wellbeing of colleagues and the people we support is a paramount consideration;
- all decisions are made on the basis of proactive consideration of risk and the potential impact on people supported
- leaders and managers use the risk management framework to support decision making involving risk and reward trade-offs; and
- colleagues are responsible for risk management in their day-to-day activities.

The principal risks the Charity actively monitors and manages are described below:

<p>Quality of care is the risk of not delivering the standard of care necessary to meet the needs of the people we support.</p>	<p>The Charity is committed to providing good care and support. This involves a defined set of qualitative and quantitative objectives and supporting risk appetite measures, supported by contractual relationships with commissioners and regulatory oversight and inspection.</p>	<p>The effective management of this risk is at the core of the Charity’s purpose. To this end, it has a comprehensive framework in place across first and second lines to ensure the risk operates within appetite. Oversight is provided by the Quality and Standards Committee with matters escalated to the Board as required. Supporting management of this risk is:</p> <p>Quality Assurance Framework supported by appropriate management information.</p> <p>Adequate levels of resourcing to ensure contractual commitments can be delivered safely.</p> <p>A comprehensive policy framework and supporting procedures.</p> <p>Role specific training.</p> <p>Speak Out policy and process.</p> <p>Complaints management.</p> <p>Services of concern process and critical issues log.</p>
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<p>Financial resilience is the risk of surplus and cash generation not meeting the operational and strategic needs of the Charity and placing in jeopardy the ongoing viability of the Charity.</p>	<p>The Charity business model is primarily an outsourced provider of social care to vulnerable people for local authorities. It is dependent upon public sector funding. The Charity has a very limited appetite for financial risk and seeks to ensure that it retains a strong balance sheet and appropriate levels of liquidity to meet all liabilities as they fall due and ensure the ongoing viability of the business through the economic cycle. The Charity seeks to ensure it has a diversified portfolio of contracts and actively manages concentration risk to ensure there is no overreliance on any particular contract or commissioner. Investment to meet the changing demands of the sector is funded by surplus generated from the ongoing operations of the Charity and the disposal of assets regarded as non-core.</p>	<p>The Board approves the annual financial plan and supporting risk appetite measures. Ongoing oversight is provided by the Board Sub-Committees, in particular the Finance and Investment Committee. This includes the identification of non-core assets for disposal. Operational management of the risk is supported by:</p> <p>Budget process. Monthly financial reporting including detailed and appropriate MI. Forecasting to ensure an appropriate forward-looking view. Effective risk/reward assessment for all new commitments. Continuous review of the ongoing financial viability of individual services. Clearly articulated reserve, liquidity and borrowing policies approved by the Board and overseen by the Finance and Investment Committee.</p>
<p>Compliance with regulatory and statutory requirements is the risk of failing to identify, monitor and comply with relevant laws, regulations and expectations in the Charity's operations, failure to engage effectively with regulators or inform them in a timely way of any failure to meet expectations, providing inaccurate, misleading or false information to regulators or statutory bodies or failing to respond to requests for information in a timely way.</p>	<p>The Charity operates in a highly regulated sector. Failure to meet these expectations would result in risk of harm to the people supported and the colleagues employed by the Charity. It would result in unacceptable levels of reputational risk and could result in the closure of services and/or the Charity. It therefore has no appetite for operating outside regulatory and statutory requirements or expectations.</p>	<p>The Charity aims to operate within the letter and spirit of regulatory requirements at all times. There are clear operating guidelines within the Charity setting out how engagement with regulators and other statutory agencies is to take place, whenever a new service is made available or a new initiative is undertaken. Supporting compliance is:</p> <p>An open and proactive relationship with regulators and other statutory bodies at all times. Active and ongoing management of the Charity's market oversight rating from the CQC. Policies and procedures which reinforce a culture of regulatory compliance. A Quality Assurance Framework which reinforces compliance with regulatory and statutory requirements. Mandatory role specific training. Appropriate levels of resource to ensure that all statutory and regulatory expectations are met and that the Charity operates in a safe and secure environment for the people it supports, its staff and other stakeholders. Safeguarding policy and training.</p> <p>A clear governance model which ensures appropriate oversight of all regulatory requirements.</p>

<p>People risk is the risk of not having sufficiently skilled and motivated colleagues who have the capabilities to deliver the services which the Charity has contracted to deliver; and who are clear on their responsibilities and accountabilities and behave in a way that is aligned to the values and business purpose of the Charity.</p>	<p>The ability to manage this risk is heavily impacted by the available financial resources to recruit and retain the necessary capacity and capability to deliver services to the people supported. The Charity is prepared to accept a high level of turnover and the employment of agency staff as a consequence of the challenging employment market from which it sources staff, recognising that this will mean that it will not always be able to deliver the highest quality of care to which it aspires.</p>	<p>The Charity's risk management is focused on improving the quality of recruitment and improving the retention of staff. Oversight of this risk is provided by the Workforce Committee. Supporting management of this risk at an operational level is:</p> <p>Charity wide engagement strategies including Gamechangers, recognition and long service schemes. Regular assessment of employee engagement through surveys and roadshows. Maintenance of a well-being fund to assist employees in difficulty. Implementation of an improved employee value proposition - "The Deal". Investment in Learning and Development. Investment in recruitment and onboarding and induction to improve retention.</p>
<p>Strategic business risk is the risk of significant loss and or damage (including to reputation) arising from the Charity's decisions that impact on the long term interests of its stakeholders, from the failure to execute strategic plans or from an inability to adapt to a changing external development.</p>	<p>The Charity operates in a high-risk sector, with a high reliance on public sector funding and in a rapidly evolving external environment with the potential for major structural change. It is engaged in the delivery of a strategic plan aimed at refocusing the Charity and creating a platform for future sustainable growth. This will include ceasing to provide services where that cannot be undertaken profitably. This necessarily involves acceptance by the Board of a higher level of strategic risk than has been the case in the recent past and places significant management stretch across the whole organisation. Failure to deliver the plan would place the ongoing financial viability of the Charity at risk.</p>	<p>Ownership of the strategy rests with the Board. The Board provides approval and ongoing oversight of the strategy through its regular meetings and supporting committees. Individual Executive Team members have specific responsibilities for the delivery of the different strategic initiatives. The Charity has a business development function responsible for retaining existing profitable contracts and winning new profitable contracts. Reputation risk arising from the execution of the strategy, for example around the decision to cease to provide a service, is managed in the first instance by the CEO with escalation to the Board as required. Strategic Business Risk is overseen at Board level as a specific item on the Strategic Risk Register. The Charity actively seeks to influence the development of public policy, led by engagement by the CEO and Chair with public sector bodies and key influencers.</p>

<p>Operational risk (including reliance on information and information security) is the risk of loss resulting from inadequate or failed internal processes, projects and or systems or from external events including e.g. a cyber attack. It includes legal risk, and operational risks associated with the strategy. The primary responsibility for managing these risks rests in the first line in the delivery of services in accordance with the policies and procedures of the Charity with oversight provided by the second line functions.</p>	<p>The Charity is prepared to tolerate a level of operational risk exposure within agreed thresholds and limits. A level of resilience risk from internal and external events is tolerated. however, immediate steps are taken to minimise the impact on the people supported through recovery within defined timescales. Operational risks are likely to impact on the Charity's reputation and financial viability and tolerances need to be set accordingly.</p>	<p>The Charity has a comprehensive set of policies which seek to identify operational risks and set out how they are to be managed and mitigated. This is supported by an enterprise wide communication and training programme. Investment in systems and processes to ensure a satisfactory level of operational efficiency. Specific risk tolerances are agreed by the Executive Team and the Board, as appropriate. Key risk tolerances are included within the annual risk appetite statement approved by the Board. Breaches of risk tolerance are escalated to the Board and its Committees as appropriate. A comprehensive information management and digital investment strategy including agreed protocols for the management of data, testing of new applications. This is supported by enterprise wide Cyber Essentials accreditation and annual Third-Party penetration testing. The Charity has an enterprise wide Business Continuity Plan and Disaster Recovery Plan in place which is tested regularly and reviewed annually by the Board.</p>
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COVID-19

The impact of the COVID-19 pandemic began to become clear during February and March 2020. Since the year end, the Charity has implemented its risk governance processes in full response to the risks presented and continues to take all appropriate risk mitigating actions. Whilst the pandemic has materially affected plans for 2020/21, the Charity remains committed to its 2018-2023 strategy and will continue to implement key strands of the strategy particularly where development will enable the Charity to respond to any future intensification of the pandemic or similar events.

The Charity has assessed the risks presented by the pandemic and a risk appetite and mitigating measures have been agreed and actioned. The pandemic has increased the range of financial risks the Charity faces, including lost revenue, increased costs from required operating changes, increased personal protective equipment costs, cashflow risk, particularly relating to the recovery of increased costs from commissioners of services, and litigation risk. It has assessed these risks and the range of possible outcomes and completed stress test exercises and is confident it can mitigate these risks within acceptable parameters.

Public Benefit

The Board has given due consideration to the Charity Commission's published guidance on the operation of the public benefit requirement by looking at the Charity's activities undertaken during the year and can demonstrate that the services provided continue to have an identifiable benefit, are directly related to the aims of the Charity, and that benefit is to the public or a section of the public. The Board of Trustees is satisfied that the Charity meets the tests with regard to public benefit and that Community Integrated Care provides tangible benefit to a large section of the public by providing care services for vulnerable adults, adults with learning difficulties, mental health concerns, autism or physical disabilities. It also provides care for the elderly in care homes and in the community, offering care for those with nursing, dementia and end of life palliative care requirements.

Community Integrated Care is a not for profit organisation which encompasses services from northern Scotland to the south coast of England. The Charity works with the vulnerable and challenging adults and does not restrict members of the public from being able to benefit by virtue of the ability to pay or where a person lives. One of the founding aims of the Charity is to promote inclusion for individuals supported in the communities in which they live. This can be challenging due to the barriers relating to social exclusion such as stigma, access or discrimination. The Charity helps to bridge this gap by building relationships in the community, by having a "can do" approach to integration and provides benefits to the people we support in community activities, including employment opportunities and education. It also offers opportunities to other members of the public through volunteering, community events and sharing the use of some of our facilities.

The Charity supports the establishment of social inclusion groups to empower the individual, which can be clearly identified through the care we provide and the partnerships we develop. All its services are publicly funded by Local Authorities, Health Authorities or Clinical Commissioning Groups, although it does care for a small number of self-funded members of the public. Its aim is to provide highest quality of care for anyone in need regardless of the service user's situation. Care service contracts with public sector bodies must demonstrate value for money whilst also maintaining high standards of care.

Our recognisable benefit is to those individuals who, for whatever reason, are unable to live independently and require support to ensure that they have fulfilled lives and the people we support are encouraged to try new things and to be independent. The Charity continues to innovate and meet new challenges for the services it provides by, for example, introducing innovative models for dementia (EachStep™) and autism, the introduction of assistive technology and support and provision of research to help individuals lead independent lives.

The Charity encourages the employment of those who live with a disability within the organisation and has established forums for the people supported to hold regular meetings and participate in peer review of the services we deliver.

Such peer review reports form the basis of a powerful method of quality of care provided and assist in the development of innovative approaches to how future care and support could be delivered. As user involvement is now at the heart of health and social care policy, across Community Integrated Care the 'citizen's voice' is at the heart of everything we do. Ideas continue to develop which reflect this theme, based on the principles of personalisation, co-production and empowerment and Community Integrated Care will continue to harness the voice of the people who choose to be supported by us to inform every element of the Charity's operations.

The Charity's latest Annual Review illustrates the depth and breadth of the people we care for and give support to, thereby delivering both the Charity's aims and objectives and public benefit test. The latest Annual Review can be found at: <http://www.c-i-c.co.uk/our-publications>.

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Trustees consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole (having due regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 March 2020. In particular, by reference to the strategic plan for 2018 - 2023:

- The plan was designed to have a long-term beneficial impact on the Charity and to contribute to its success in delivering better quality, more person-centred services for the people we support. The seven indicators of success are further supported by the statement on the "Power of Three" – a strategic commitment that everything done is for the benefit of colleagues, people supported and communities.
- Colleagues are fundamental to everything the Charity does and to providing the best quality care to the people it supports. During the year the Charity has therefore introduced a new Employee Value Proposition, a new learning and development platform (Dare to Learn), continued its Dare to Share internal surveying, held the inaugural We Dare Awards and held its biannual leadership roadshow focussed on "A Happy and Healthy Workplace".
- As a Charity regulated by the Care Quality Commission in England and the Care Inspectorate in Scotland, there is a duty to provide care services that are safe, effective, caring, responsive and well-led. The Trustees, in their decision making, always consider not only regulatory commitments but also what more can be done to improve the quality of services and for the people supported. During the year, the Charity has continued the valuable work of the Quality Advisors (people supported and employed by the Charity to review the quality of services as experts by experience). It has also continued to embed EFQM management framework principles within everything it does. This commitment has been recognised externally with 61 award nominations and the award of the Charity Times Charity of the Year award.
- The Charity has also continued its work to invest in the communities within which it works. It has continued its work with the Rugby Football League and Super League as their Official Social Care Partner which promotes participation for people supported. In addition, it has developed projects promoting communities in the fields of the arts and culture and a new citizenship project aimed at increasing democratic participation within communities.
- The Charity aims to act responsibly and fairly in dealing with suppliers by creating strategic relationships and operating fair payment principles, as well as open and transparent co-operation with regulators; all of whom are integral to the successful delivery of the strategic plan.
- As Trustees are custodians of the Charity, the strategic plan is intended to secure a robust and sustainable Charity that will continue to be able to fulfil its purpose for many years to come. The impact upon decision making of this aim is clear delivered through Board and Sub-Committee structure, which has appropriate oversight of the both the investment and reserves policies. It is the intention to behave responsibly and ensure that management operate the business in a responsible manner and with the highest standards of business conduct and good governance by adopting a robust risk management process, setting and reviewing Board risk appetite and implementing specific measures to ensure compliance.

Streamline Energy and Carbon Reporting (SECR)

Under Statutory Instrument (SI 2018/1155) and the Environmental Reporting Guidelines, the Charity is required to report on greenhouse gas emissions and energy consumption. In discharging duties under this and the Government's Energy Saving Opportunity Scheme, the Charity engaged external expertise to review the portfolio of operating sites, calculate energy usage and provide actionable feedback on how to reduce the associated carbon footprint. The Charity's energy and fuel usage were calculated at 22.9m kWh which equates to 4,845 tonnes of CO2 emitted or 8,309 kWh per person supported as at 31 March 2020. The calculation refers to all energy usage billed over the period with extrapolations used for missing periods and seasonality calculations in respect of gas usage. Savings were calculated across 94 sites. Recommendations focussed on replacing lighting solutions with LED equivalents across the Charity's estate and this has now been factored into maintenance schedules as replacement is required. In addition, the Charity continues to introduce office technology aimed at reducing motor mileage.

The Strategic report includes the Directors report, as a requirement of the company act.

Structure, Governance and Management

Board of Trustees ("the Board")

For the purposes of the Companies Act 2006, the Trustees are also the Directors of the Charity. The Board consists of up to 15 Trustees, including the Chair, Deputy Chair and a Senior Independent Trustee, and has the diversity, expertise and experience to satisfy its legal obligations, safeguard the assets of the Charity, provide leadership and strategic direction whilst complementing and supporting the Executive Team who manage the Charity on a day to day basis.

A Trustee skills matrix is maintained by the Company Secretary and development opportunities are reviewed on a regular basis to ensure the Board continues to meet the changing needs and demands of the Charity. During the year, an external Board governance review was carried out in accordance with the recommendations of the Charity Governance Code. It concluded that the Board was working effectively and the Board agreed to implement its recommendations in full. The Board also undertakes a formal, annual performance evaluation of its effectiveness and its Chair.

Trustees are appointed by external advertisement and serve a three-year term before facing retirement or re-election up to a maximum of nine years in office. New Trustees receive a programme of induction which includes service visits, a presentation by the senior management team and access to an electronic reading room with an overview of the Charity and key documents concerning its constitution, governance arrangements and the roles and responsibilities of Trustees. The Trustees are not remunerated but do receive reasonable out of pocket expenses for attending Board meetings, in accordance with the Trustee expenses policy.

The Board meets at least four times a year to monitor performance against strategy, utilising a fully comprehensive suite of documents through which the Charity meets its obligations to the Charities Commission and OSCR, satisfies the requirements of the Charities Act and company law, and delivers its underlying objectives and responsibilities stated within its Memorandum and Articles of Association. Whilst the Board retains individual and collective responsibility for ensuring compliance and Board effectiveness, it delegates elements of risk management and gains additional assurance and recommendations through a scheme of delegation and the use of Sub-Committees, all of which have written terms of reference which are reviewed and approved on an annual basis.

The Charity follows the Charity Corporate Governance Code, adhering to the seven principles as well as the five core principles of the Scottish Code as detailed below:

England	Scotland	Activities
Organisational purpose	Organisational purpose	The Board periodically reviews its charitable purposes and the strategic KPIs.
Leadership	Leadership	The Board and individual Trustees take collective responsibility for decisions, making sure the Charity's values are reflected in its work.
Integrity	Board behaviour	Collectively the Board is independent in its decision making, safeguards the Charity's reputation and acts in the best interests of the Charity and its stakeholders.
Decision-making, risk and control	Control	The Board has established and monitors effective delegation, control and risk assessment management systems.
Board effectiveness	Effectiveness	The Board regularly reviews its performance and works as an effective team, using a balance of skills, backgrounds and knowledge to make informed decisions.
Diversity		The Board has trustees with a wide variety of perspectives, experiences and skills and is supportive of the principles of equality and diversity.
Openness and accountability		The Board ensures the Charity has legitimacy in representing its beneficiaries and stakeholders and takes seriously its responsibility for building public trust and confidence in its work.

Sub-Committees

The Board of Trustees operates a number of sub-committees to support and deliver the organisation's strategic priorities through detailed understanding and assurance on specific areas of delegated risk and compliance. The following committees have been operational in the period. Sub-Committees meet quarterly and an outline of the terms of reference for each is noted below:

Audit and Risk Committee	Remuneration and Nominations Committee
Quality and Standards Committee	Workforce Committee
Finance and Investment Committee	Scottish Committee

The Audit and Risk Committee has three primary areas of responsibility: ensuring the accuracy of external financial reporting, including the relationship with external auditors; the appointment and oversight of internal auditors and oversight of the risk and control framework in the Charity.

The Quality and Standards Committee acts as an oversight committee in connection with the regulatory compliance and delivery of care and support services and takes assurance that the Charity is well led, with effective systems and processes in place in order to comply with health and social care legislation and best practice. The Committee reviews key performance indicators receives operational reports and monitors the complaints process and feedback from the people supported, their families and staff, to ensure that individuals lead rewarding lives and achieve the best possible outcomes.

The Finance and Investment Committee provides guidance and support at all stages of the business planning cycle, from formulating the strategic financial plan through to finalising the annual budget and business plan. The Committee reviews performance against plans and forecasts for the year, including an oversight of all significant projects involving both investment and divestment of resources and capital, seeking Board approval, as necessary. In conjunction with the above, the Committee monitors the level of reserves and liquidity against policy and reports its findings and recommendations to the Board accordingly.

The Remuneration and Nominations Committee is primarily responsible for ensuring good practices are in place in relation to all relevant legislative and regulatory requirements of the Board by establishing, amending and monitoring the corporate governance processes and practices of the organisation. The Committee has responsibility for the appointment, evaluation of performance and development of the Board, Trustees and the Executive Team and has delegated authority to determine the remuneration of the Chief Executive and the Executive Team and the approval and monitoring of systems for appraising the Executive Team.

The Workforce Committee scrutinises organisational development and workforce strategies and recommending approval to the Board. It is responsible for taking assurance that core human resource policies are regularly reviewed and are compliant with appropriate legislation/regulatory requirements including the CQC's Well Led Framework, the Care Inspectorate's National Care Standards and the Scottish Social Services Council Fit to Practice Framework. Workforce strategies include those for reward, pay and recognition and the Committee takes assurance that arrangements are in place to manage the workforce against agreed KPIs and that there is appropriate training, engagement and feedback from staff.

The Scottish Committee reviews delivery of the agreed strategy and improvement plans for Scotland against key internal milestones. The Committee considers plans and progress with organisational development in Scotland and oversees initiatives that are in place to develop relations, the corporate profile and partnership workings in Scotland.

Advisory Groups

The Board has the power to establish ad-hoc working groups and advisory Boards as and when required, utilising both internal and external professionals, as necessary.

Executive Management Structure

The Chief Executive Officer is authorised to manage the Charity on a day to day basis under a written scheme of delegation from the Board which is reviewed annually. The Chief Executive Officer has an Executive Team which is responsible for the delivery of the strategic plan and it meets formally on a monthly basis, in order to review the key performance indicators for the organisation and to keep abreast of developments in the organisation generally. The Senior Leadership Team brings together the most senior managers from Operations and Support Services to further develop ownership and delivery of the strategic plan and meets with the Executive Team formally on a fortnightly basis.

Employees

The Charity's workforce has reduced slightly during the year to 5,472 employees, of which 1,183 are based in Scotland and it operates a national employee forum, "Gamechangers". This covers employees at all levels of the organisation and is a forum for sharing information and consultation with an opportunity for employees to discuss their views on company policies and practice and to provide feedback and influence the senior management team on issues relevant to them.

All individuals working within Community Integrated Care are encouraged to raise concerns without fear of reprisals, even if they turn out to be mistaken. Everyone should be aware of the importance of preventing and eliminating wrongdoing at work and all employees have a duty to support and maintain standards of care. The Charity's Whistleblowing Policy, "Speak Out", is an important means for employees to raise any concerns regarding inappropriate behaviour, unlawful conduct, poor practice or behaviour and all reported incidents are reviewed by Trustees through the quarterly Workforce Committee and an annual report to the Board of Trustees.

The Charity recognises its obligations in terms of the Modern Slavery Act and the required annual statement can be found on our website. As a company limited by guarantee, it is not allowed to distribute dividends to shareholders and does not operate any bonus schemes for employees. In accordance with the Equality Act 2010, the Charity has due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

Equality and diversity are at the heart of everything the Charity does, and these equality objectives underpin employment practices and ways of working. The aim is to ensure that all employment policies and practices are fair, advance equality of outcome, eliminate discrimination and foster good relations.

The Charity's Scottish Service Delivery

Community Integrated Care has operated care services in Scotland since 1996 and is separately registered with the Office of the Scottish Charity Regulator (OSCR). The Charity operates in 11 local authorities across Scotland with £21.2m of income from independent living services and £8.1m of income from older people care homes in Dumfries & Galloway. With a total income of £29.3m for the year-ended 31 March 2020 (2019: £27.6m), Scotland represents a significant part of the Charity's overall strategy.

The Charity has worked with Commissioners and Regulators to de-register services to deliver an independent living model where personalisation is the cornerstone and the empowerment of the person we support. With 1,183 staff, 89 services and 541 people supported, the Charity provides learning disability services from Wick in the North to the Scottish Borders in the South and operates 6 older people care homes in Dumfries and Galloway. With the ongoing success of Scottish operations, delivering positive trading results, it continues to be a target area for growth opening new services and seeking potential merger and acquisition opportunities.

The Charity's income from charitable activities in Scotland is derived from public sector commissioners and we continue to apply the Foundation Living wage in line with the wider sector in Scotland. The risks set out in the Charity's Strategic Risk Register apply equally to the Charity's Scottish operation whilst recognising the different regulatory and statutory framework.

Administrative and Legal Information

Life President:

Dr David Robertson

Board of Trustees:

Elizabeth Raper (Chair)

Greg Beales

Lucy Butler

Maria Da Cunha (resigned 11 December 2019)

Teresa Fenech

Shaun Gallagher

Simon Learoyd

Nigel Lemmon

Brian Logan (resigned 31 December 2019)

David McIntosh (Senior Independent Trustee)

Amanda de Ryk

Philip Smyth (Deputy Chair)

Heather Tierney-Moore

Keith Rhodes (appointed 26 March 2020)

Lucy Ann Butler (resigned 3 November 2019)

Company Secretary:

David Hedley

Chief Executive Officer:

Mark Adams

Charity and Company Registrations:

England and Wales:	519996
Scotland:	SC039671
Company Registration Number:	02225727

Registered Office Address:

Community Integrated Care
2 Old Market Court
Miners Way
Widnes
Cheshire
WA8 7SP

Principal Bankers:

Lloyds Bank Plc
53 King Street
Manchester
M2 4LQ

Auditors:

BDO LLP
3 Hardman Street
Spinningfields
Manchester M3 3AT

Solicitors:

Weightmans LLP
100 Old Hall Street
Liverpool
L3 9QJ

Statement of Trustee Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure account, of the group over 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 judgments 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;
- give due consideration to Charity Commission published Guidance and The Office of the Scottish Charity Regulator on the operation of the Public Benefit requirement; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The trustees have approved the strategic report.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing the report, of which the Group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

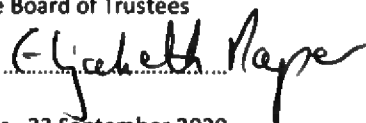
Auditors

A resolution to reappoint BDO LLP as Auditors to the Charity will be proposed at the 23 September 2020 Trustee Board Meeting.

On behalf of the Board of Trustees

Elizabeth Raper

Chair of Trustees 23 September 2020



External Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF COMMUNITY INTEGRATED CARE

Opinion

We have audited the financial statements of Community Integrated Care ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, statement of financial activities, the consolidated balance sheet, the balance sheet, the consolidated cash flow statement 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's/its incoming resources and application of resources and the Parent Charitable Company'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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

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 and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 or the Parent 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees Report. The Trustees are responsible for the other information.

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 the 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, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 determines 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 and the Parent 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 Group or the Parent 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

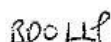
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester

Date: 8 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Community Integrated Care

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31 March 2020

		Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	TOTAL 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	TOTAL 2019 £'000
	Note						
Income							
Income from charitable activities	2	130,211	720	130,931	126,514	582	127,096
Age Exchange gift on acquisition		-	-	-	1,049	-	1,049
Other income	3	434	-	434	730	-	730
Total income		130,645	720	131,365	128,293	582	128,875
Expenditure							
Charitable activities		131,884	539	132,423	129,059	299	129,358
Loss on joint venture		31	-	31	-	-	-
Exceptional expenditure - impairment		-	-	-	6,450	-	6,450
Total expenditure	4	131,915	539	132,454	135,509	299	135,808
Net (expenditure) / income		(1,270)	181	(1,089)	(7,216)	283	(6,933)
Transfer between funds		409	(409)	-	440	(440)	-
Other recognised gains / (losses)							
Actuarial gains/ (losses) on defined benefit pension scheme	19c	(298)	-	(298)	67	-	67
Net movement in funds		(1,159)	(228)	(1,387)	(6,709)	(157)	(6,866)
Reconciliation of funds:							
Total fund balances at 1 April		31,833	7,610	39,443	38,542	7,767	46,309
Total fund balances at 31 March		30,674	7,382	38,056	31,833	7,610	39,443

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Community Integrated Care

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

for the year ended 31 March 2020

		Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	TOTAL 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	TOTAL 2019 £'000
	Note						
Income							
Income from charitable activities	2	130,002	335	130,337	126,257	312	126,569
Other income	3	332	-	332	675	-	675
Total Income		130,334	335	130,669	126,932	312	127,244
Expenditure							
Charitable activities		131,535	146	131,681	128,684	-	128,684
Exceptional expenditure - impairment		-	-	-	6,450	-	6,450
Total expenditure	4	131,535	146	131,681	135,134	-	135,134
Net (expenditure) / income		(1,201)	189	(1,012)	(8,202)	312	(7,890)
Transfer between funds		409	(409)	-	440	(440)	-
Other recognised gains / (losses)							
Actuarial gains/ (losses) on defined benefit pension scheme	19c	(298)	-	(298)	67	-	67
PCH intercompany write off		-	-	-	(315)	-	(315)
Net movement in funds		(1,090)	(220)	(1,310)	(8,010)	(128)	(8,138)
Reconciliation of funds:							
Total fund balances at 1 April		30,755	7,639	38,394	38,765	7,767	46,532
Total fund balances at 31 March		29,665	7,419	37,084	30,755	7,639	38,394

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Community Integrated Care

**Statement of Financial Position
(Consolidated and Charity)**

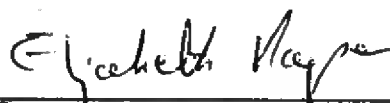
Company No. 2225727

as at 31 March 2020

	Note	Group		Charity	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9	36,961	41,183	35,550	39,746
Intangible assets	10	94	106	-	-
Investment	11 / 23	19	-	1	-
		<u>37,074</u>	<u>41,289</u>	<u>35,551</u>	<u>39,746</u>
Current assets					
Stock		2	1	-	-
Debtors recoverable within one year	12	11,265	12,368	11,239	12,317
Cash at bank and in hand		<u>12,678</u>	<u>8,436</u>	<u>12,616</u>	<u>8,386</u>
		23,945	20,805	23,855	20,703
Debtors recoverable after one year	12	51	-	89	-
Creditors:					
Amounts falling due within one year	13	<u>18,878</u>	<u>17,616</u>	<u>18,744</u>	<u>17,518</u>
Net current assets		<u>5,118</u>	<u>3,189</u>	<u>5,200</u>	<u>3,185</u>
Total assets less current liabilities		<u>42,192</u>	<u>44,478</u>	<u>40,751</u>	<u>42,931</u>
Creditors:					
Amounts falling due after more than one year	14	<u>3,269</u>	<u>4,553</u>	<u>2,800</u>	<u>4,055</u>
		3,269	4,553	2,800	4,055
Net assets excluding pension liability		<u>38,923</u>	<u>39,925</u>	<u>37,951</u>	<u>38,876</u>
Defined benefit pension scheme liability	19d	<u>867</u>	<u>482</u>	<u>867</u>	<u>482</u>
Net assets		<u>38,056</u>	<u>39,443</u>	<u>37,084</u>	<u>38,394</u>
Reserves					
Unrestricted funds	16	30,674	31,833	29,665	30,755
Restricted funds	16	<u>7,382</u>	<u>7,610</u>	<u>7,419</u>	<u>7,639</u>
Total funds		<u>38,056</u>	<u>39,443</u>	<u>37,084</u>	<u>38,394</u>

The financial statements were approved and authorised for issue by the board of Trustees on 23 September 2020 and signed on their behalf by:

E. Raper (Chair)



S. Learoyd (Chair of Audit & Risk Committee)



Community Integrated Care

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

	2020 £'000	2019 £'000
Operating activities:		
Net (expenditure) before other recognised gains & losses	(1,089)	(6,933)
Depreciation	2,878	3,083
Amortisation	-	67
Loss on investments	43	-
Property impairment	-	6,450
Age Exchange fair value adj	-	300
Gifted fixed assets	-	(1,482)
Gifted intangible assets	-	(106)
Loan interest paid	368	917
Bank interest received	(92)	(49)
Defined benefit pension scheme staff cost charges	183	183
Defined benefit pension scheme interest	(12)	(31)
Payment to defined benefit pension scheme	(84)	(113)
Increase in stock	(1)	(1)
Increase in debtors	1,052	(458)
Increase in creditors	1,154	3,071
Decrease in provisions for liabilities	(5)	(10)
Profit on sale of tangible fixed assets	(44)	(326)
Net cash inflow from operating activities	4,351	4,562
Investing activities:		
Payments to acquire tangible fixed assets	(3,371)	(3,413)
Receipts from sales of tangible fixed assets	4,759	2,585
Investment in joint venture	(50)	-
Cash acquired on acquisition	-	175
Bank interest received	92	49
Net cash inflow/ (outflow) from investing activities	1,430	(604)
Financing activities:		
Loan received	3,300	-
Repayment of borrowing	(4,471)	(3,739)
Loan interest paid	(368)	(917)
Net cash inflow/ (outflow) from financing activities	(1,539)	(4,656)
Cash inflow / (outflow) in year	4,242	(698)
Cash / cash equivalents at the beginning of the reporting period	8,436	9,134
Cash / cash equivalents at the end of the reporting period	12,678	8,436

Community Integrated Care

Notes to the financial statements

for the year ended 31 March 2020

1. Accounting policies

Community Integrated Care is a charitable company incorporated in England and Wales under the Companies Act. The Charity is a Public Benefit Entity. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

(a) Basis of preparation

The financial statements have been prepared in accordance with FRS102 the Financial Reporting Standard applicable in the United Kingdom, the Companies Act 2006 and the Statement of Recommended Practice "Accounting by Charities" (the "SORP") issued in January 2019 under the historical cost convention.

The Charity has availed itself of Paragraph 4 (1) of Schedule 1 of Statutory Instrument 2008 No. 410 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. The charity has taken advantage of the reduced disclosure exemption in paragraph 1.12(b) of FRS 102, meaning it does not need to produce an individual cash flow statement.

(b) Preparation of accounts on a going concern basis

In order to consider the appropriateness of the going concern basis the Charity has prepared and reviewed a scenario analysis looking at worst case, best case and expected case scenarios. In a worst-case scenario whilst it would see the Charities reserves and cash position impacted significantly it would not affect going concern over the medium and long-term. Activity since the scenario analysis review has confirmed that the expected case of achieving a break-even position in the year to March 2021 remains the most likely outcome. With a net cash position of £12.7m at 31 March 2020 and forecast gross balances that remain in excess of £10m, as well as an overdraft facility of £1m, the Charity is confident that it has adequate resources to continue operational activities for the foreseeable future and that it has sufficient cash to meet all loan repayment commitments and bank covenants subject to lender review of interest cover within the Age Exchange subsidiary. Thus after making enquiries and having reviewed the Charity's forecasts and projections to September 2021, the Trustees have adopted the going concern basis of accounting in preparation of the financial statements.

(c) Group consolidated financial statements

The Group financial statements consolidate the funds of the Charity and its subsidiary companies. The subsidiary companies consolidated within the Group financial statements include Person Centred Housing Limited and Age Exchange, whose results and net assets have been included on a line by line basis as the Charity controls the subsidiaries. Technology Integrated Care, a subsidiary acquired during the year, has also been included within the Group results. No subsidiaries were disposed of in the year, or the preceding year.

(d) Company status

The Charity is a company limited by guarantee and has no share capital. The Trustees are elected from the members of the company. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

(e) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees, in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are transferred from general unrestricted funds for specific purposes, based on available cost information. These amounts are monitored annually.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the Charity for particular purposes. This fundraising has created the expectation that resources generated would be used for specific purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(f) Incoming Resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income, when the amount can be quantified with reasonable accuracy and when the amount is likely to be received. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Grants are received from bodies within Local Government and the National Health Service and are specific to the charitable activities.

All grants, donations, rental income and contractual payments are included on a receivable basis. Income received for expenditure in future accounting periods is deferred.

Other Grants are recognised as and when conditions for their release are fulfilled.

Community Integrated Care

Notes to the financial statements

for the year ended 31 March 2020

(g) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on the same basis as expenditure incurred directly in undertaking an activity. Overheads are apportioned to each operational scheme in accordance with the terms of the contract.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity, and are allocated to each category based upon the relevant proportion of turnover.

Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

A liability is recognised when the Charity is legally committed at the balance sheet date as a result of a past event.

(h) Intangible assets

Goodwill arising on an acquisition of a business is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the SOFA over the Trustees' estimate of its useful economic life which will not be more than 5 years.

(i) Tangible fixed assets and depreciation

Capitalisation:

Tangible fixed assets costing more than £1,000 are capitalised and included at cost along with any incidental expenses of acquisition.

Valuation:

Tangible fixed assets are measured at historical cost.

Depreciation:

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value on a straight line basis over their expected useful economic lives, as follows:

Freehold buildings- 50 years

Leasehold land and buildings- over the lease term

Fixtures and fittings- 5 years or 10 years

Motor vehicles- 4 years

Computer equipment- 3-10 years

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Assets under construction are not depreciated until completion of the build.

Impairments are separately identified and charged to the funds of the Charity when the carrying amount is greater than the recoverable amount.

(j) Donated assets

Assets donated to the group are recognised at their fair value at the date they are gifted. Where assets are donated from another charitable entity, the fair value of any donated assets and liabilities is recognised within Donations within the SOFA.

(k) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(l) Leased assets - Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. All other leases are treated as operating leases. The annual rentals are credited to the SOFA on a straight line basis over the term of the lease, with the leased asset accounted for in accordance with the policy for tangible fixed assets.

(m) Pension contributions

The Company's participating employees are either members of the Group's defined contribution scheme or members of one of the defined benefit schemes.

For defined benefit schemes the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs, to the extent that they have not previously been recognised, are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount within finance costs which are included in resources expended. Actuarial gains and losses are recognised immediately in the 'Other recognised gains and losses'.

Community Integrated Care
Notes to the financial statements
for the year ended 31 March 2020

(n) Pension contributions (continued)

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. Pension scheme assets are included in the balance sheet, but surpluses in any scheme (i.e. the amount by which assets exceed liabilities) are only included to the extent that the surplus may be recovered by reduced further contributions or to the extent that the Trustees have agreed a refund from the scheme at the balance sheet date. Pension scheme liabilities are recognised to the extent that the Group has a legal or constructive obligation to settle the liability.

For defined contribution schemes the amount charged to the Consolidated Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Charity contributes to two group personal pension plans operated by Aviva and The People's Pension. The relevant plan is open to all employees over the age of 18. Due to a change in law, from May 2013 the Charity launched the government led auto-enrolment programme resulting in all eligible employees being automatically enrolled in the relevant pension scheme. The assets of the schemes are held separately from those of the Charity. The annual contribution payments are charged to the SOFA.

(o) Accounting for investments

Investments in subsidiaries are stated at cost. An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control. In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate, or joint venture.

(p) Judgements in applying accounting policies and key sources of estimation of uncertainty

In preparing these financial statements the directors have made judgements where appropriate. The judgement subject to the greatest uncertainty is the impairment of property values associated with trading losses incurred in our care home division and provision for bad debt. Impairment of property has been assessed with the support of professional advisors, Christie & Co, and it is assumed that 6.6% of trade debtors will not be realised due to the size and the age of individual debt.

Other key sources of estimation uncertainty include: the actuarial assumptions in respect of defined benefit pension schemes - The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Classification of leases - whether leases entered into as lessee, is operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Depreciation of tangible fixed assets and impairment - Tangible fixed assets are depreciated over their useful lives taking into account residual lives, where appropriate. The actual lives of the assets and residual lives are assessed annually and may vary depending upon a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. In considering whether indications of impairment exist, factors taken into consideration include the economic viability and expected future performance of the asset.

(q) Financial Instruments

Financial instruments of the Group are measured at amortised cost. Financial assets comprise cash, trade debtors and other debtors. Financial liabilities comprise bank loans, trade creditors, other creditors and accruals. Financial assets and financial liabilities are recognised when Community Integrated Care becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Community Integrated Care only 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 their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where Community Integrated Care has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Community Integrated Care

Notes to the financial statements

for the year ended 31 March 2020

2	Analysis of income from charitable activities	GROUP		CHARITY	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	<u>Unrestricted</u>				
	North West	30,908	29,368	30,908	29,368
	North East	30,346	28,566	30,334	28,541
	Scotland	21,199	19,645	21,199	19,645
	South and Central	14,772	14,587	14,575	14,355
	Older People Services	32,986	34,348	32,986	34,348
		<u>130,211</u>	<u>126,514</u>	<u>130,002</u>	<u>126,257</u>
	<u>Restricted</u>				
	Grants, donations and fundraising	<u>720</u>	<u>582</u>	<u>335</u>	<u>312</u>

3	Other income	GROUP		CHARITY	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Management Fee	-	-	10	10
	Sundry	298	135	191	75
	Net gain on disposal of fixed assets	44	546	44	546
	Bank interest	92	49	87	44
		<u>434</u>	<u>730</u>	<u>332</u>	<u>675</u>

4 a) Analysis of expenditure

Costs of charitable activities	GROUP			2020 Total £'000
	Operational staff costs £'000	Direct costs £'000	Support costs £'000	
Loss on joint venture	-	-	31	31
North West	23,979	2,167	3,877	30,023
North East	23,630	1,651	4,003	29,284
Scotland	15,747	1,071	3,063	19,881
South and Central	11,761	1,417	2,606	15,784
Older People Services	25,401	7,914	4,136	37,451
	<u>100,518</u>	<u>14,220</u>	<u>17,716</u>	<u>132,454</u>
Costs of charitable activities - 2019	Operational staff costs	Direct costs	Support costs	2019 Total
Exceptional item	-	6,450	-	6,450
North West	22,777	1,977	3,473	28,227
North East	22,631	1,605	3,750	27,986
Scotland	14,252	943	2,835	18,030
South and Central	11,349	1,280	2,397	15,026
Older People Services	26,868	9,213	4,008	40,089
	<u>97,877</u>	<u>21,468</u>	<u>16,463</u>	<u>135,808</u>

Costs of charitable activities	CHARITY			2020 Total £'000
	Operational staff costs £'000	Direct costs £'000	Support costs £'000	
North West	23,979	2,167	3,878	30,024
North East	23,630	1,637	4,003	29,270
Scotland	15,747	1,071	3,063	19,881
South and Central	11,494	1,203	2,357	15,054
Older People Services	25,401	7,915	4,136	37,452
	<u>100,251</u>	<u>13,993</u>	<u>17,437</u>	<u>131,681</u>
Cost of charitable activities - 2019	Operational staff costs	Direct costs	Support costs	2019 Total
Exceptional item	-	6,450	-	6,450
North West	22,777	1,977	3,473	28,227
North East	22,631	1,596	3,750	27,977
Scotland	14,252	943	2,835	18,030
South and Central	11,144	1,059	2,158	14,361
Older People Services	26,868	9,213	4,008	40,089
	<u>97,672</u>	<u>21,238</u>	<u>16,224</u>	<u>135,134</u>

b) Exceptional items

This relates to a prior year impairment of seven Older People Services properties which are operating in deficit or only small surplus thus having a significant impact upon future cashflows and the associated property values. Valuations were conducted with professional advisors, Christie & Co, and best estimates of valuation included accordingly resulting in impairment during the prior year of £6.45m.

Community Integrated Care

Notes to the financial statements

for the year ended 31 March 2020

5 Analysis of support costs

The charity allocates its support costs as shown in the table below. Regional Office costs are allocated to the relevant region. Support Service costs are apportioned between the regions based on the percentage of income per region.

GROUP

	Total 2019 £'000	Total 2020 £'000	Finance & Legal £'000	Human Resources & Training £'000	Information Technology £'000	Facilities Management £'000	Administration £'000
Loss on joint venture	-	31	31	-	-	-	-
North West	3,473	3,877	382	1,167	491	170	1,667
North East	3,750	4,003	375	1,145	482	166	1,835
Scotland	2,835	3,063	262	800	337	116	1,548
South and Central	2,397	2,606	203	550	242	149	1,462
Older People Services	4,008	4,136	407	1,245	524	180	1,780
	<u>16,463</u>	<u>17,716</u>	<u>1,660</u>	<u>4,907</u>	<u>2,076</u>	<u>781</u>	<u>8,292</u>

CHARITY

	Total 2019 £'000	Total 2020 £'000	Finance & Legal £'000	Human Resources & Training £'000	Information Technology £'000	Facilities Management £'000	Administration £'000
North West	3,473	3,878	382	1,168	491	170	1,667
North East	3,750	4,003	375	1,145	482	166	1,835
Scotland	2,835	3,063	262	800	337	116	1,548
South and Central	2,158	2,357	180	550	232	80	1,315
Older People Services	4,008	4,136	407	1,245	524	180	1,780
	<u>16,224</u>	<u>17,437</u>	<u>1,606</u>	<u>4,908</u>	<u>2,066</u>	<u>712</u>	<u>8,145</u>

Analysis of governance costs

Audit and accountancy fees
Legal costs

	GROUP		CHARITY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Audit and accountancy fees	59	46	45	42
Legal costs	90	56	90	56
	<u>149</u>	<u>102</u>	<u>135</u>	<u>98</u>

Audit and non audit services

Statutory audit of parent and consolidated accounts
Tax Services
Other

	2020 £'000	2019 £'000
Statutory audit of parent and consolidated accounts	52	39
Tax Services	7	5
Other	0	2
	<u>59</u>	<u>46</u>

6 Other costs and income

Operating lease rentals
Depreciation
Loan interest
Defined benefit pension - expected return on assets less interest on obligation
Rent received

plant & machinery
land & buildings
owned assets
leased assets- land & buildings

	GROUP		CHARITY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating lease rentals	93	107	89	97
Depreciation	640	742	640	742
Loan interest	2,559	2,764	2,529	2,734
Defined benefit pension - expected return on assets less interest on obligation	319	319	319	319
Rent received	368	917	358	907
	(12)	(31)	(12)	(31)
	(317)	(310)	(250)	(250)

The loan interest includes an annual payment made for two donated Salford services which totals £107k.

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7 Staff costs

	GROUP		CHARITY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	94,225	92,332	93,855	92,016
Social security costs	7,437	7,045	7,410	7,022
Other pension costs - contributions to defined contribution schemes	1,989	1,612	1,975	1,603
- defined benefit pension scheme charges	183	183	183	183
	<u>103,834</u>	<u>101,172</u>	<u>103,423</u>	<u>100,824</u>

The figures shown above represent all staff costs for the Group and Company including operational staff costs, as shown in Note 4, together with costs relating to staff who work in support services and regional offices, which are incorporated within the support cost figures in note 5.

Redundancy costs incurred by CIC amounting to £129,519 (2019: £54,908) are included in the above figures.

Employee benefits incurred by CIC, comprising company cars and health insurance, amounting to £43,330 (2019: £76,648) are included in the above figures.

Agency costs incurred by CIC amounting to £8,193,022 (2019: £7,021,501) are not included in the analysis above. These costs are incurred to provide cover for staff on annual leave or additional hours required on contracts.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	GROUP		CHARITY	
	2020 number	2019 number	2020 number	2019 number
£60,001 - £70,000	6	5	5	5
£70,001 - £80,000	3	3	3	3
£80,001 - £90,000	3	2	3	2
£90,001 - £100,000	1	3	1	3
£100,001 - £110,000	1	2	1	2
£110,001 - £120,000	3	1	3	1
£120,001 - £130,000	-	1	-	1
£180,001 - £190,000	1	1	1	1
	<u>18</u>	<u>18</u>	<u>17</u>	<u>18</u>

All employees earning more than £60,000 contributed to a personal pension scheme. The Charity contributed £112,072 (2019: £125,776) on their behalf.

Total earnings of key management personnel in the year amounted to £1,514,655 (2019: £1,490,478).

No directors are part of the defined benefit pension scheme.

The Trustees did not receive any remuneration from the charity. Trustees are reimbursed for expenditure incurred in attending Trustee meetings or visiting the Group's homes and facilities in their roles as Trustees. These costs related to 14 Trustees and amounted to £19,277 in the year (2019: £8,719).

The number of full and part-time employees, calculated on a monthly average basis, was;

	GROUP		CHARITY	
	2020 number	2019 number	2020 number	2019 number
Operational staff	5,050	5,091	5,038	5,081
Administration and support	440	409	434	403
	<u>5,490</u>	<u>5,500</u>	<u>5,472</u>	<u>5,484</u>

8 Indemnity Insurance

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £10,920 (2019: £10,920).

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9 Tangible fixed assets	Freehold land & buildings £'000	Leasehold land & buildings £'000	Fixtures & fittings £'000	Motor vehicles £'000	Computers £'000	Assets under construction £'000	TOTAL £'000
GROUP							
Cost							
At 1 April 2019	48,505	8,370	10,708	3,780	2,735	169	74,267
Additions	570	-	566	1,564	671	-	3,371
Disposals	(4,723)	(392)	(995)	(1,937)	(20)	-	(8,067)
Transfer	368	-	(273)	-	2	(97)	-
At 31 March 2020	44,720	7,978	10,006	3,407	3,388	72	69,571
Depreciation							
At 1 April 2019	20,036	3,638	6,323	1,558	1,529	-	33,084
Provided during the year	718	319	897	475	469	-	2,878
Impairment	-	-	-	-	-	-	-
Disposals	(1,974)	(74)	(650)	(638)	(16)	-	(3,352)
At 31 March 2020	18,780	3,883	6,570	1,395	1,982	-	32,610
Net Book Value							
At 31 March 2020	25,940	4,095	3,436	2,012	1,406	72	36,961
At 31 March 2019	28,469	4,732	4,385	2,222	1,206	169	41,183
CHARITY							
Cost							
At 1 April 2019	46,770	6,917	10,654	3,781	2,731	169	71,022
Additions	570	-	562	1,564	671	-	3,367
Disposals	(4,723)	(392)	(995)	(1,937)	(20)	-	(8,067)
Transfer	368	-	(273)	-	2	(97)	-
At 31 March 2020	42,985	6,525	9,948	3,408	3,384	72	66,322
Depreciation							
At 1 April 2019	19,732	2,185	6,277	1,557	1,525	-	31,276
Provided during the year	694	319	891	475	469	-	2,848
Impairment	-	-	-	-	-	-	-
Disposals	(1,974)	(74)	(650)	(638)	(16)	-	(3,352)
At 31 March 2020	18,452	2,430	6,518	1,394	1,978	-	30,772
Net Book Value							
At 31 March 2020	24,533	4,095	3,430	2,014	1,406	72	35,550
At 31 March 2019	27,038	4,732	4,377	2,224	1,206	169	39,747

Included in freehold land and buildings for the Group are 29 buildings which were donated by local authorities. They have a net book value of £5,461K. Disposal of these buildings is subject to the approval of the donating authority.

Included in leasehold land and buildings for the Group are two properties funded by Salford LA with a net book value of £3,190K that are held on leaseholds of 23 years. Disposal of these buildings is subject to the approval of the donating authority. Assets under construction comprises costs incurred relating to property upgrades. These assets will be fully constructed in future periods at which point depreciation will commence.

Motor vehicles include 192 vehicles with a net book value of £1,945K which are leased to people we support.

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9 Tangible fixed assets (continued)

Included in freehold land and buildings is land at a cost of £2,010K that is not depreciated.

Certain assets are owned by the Group and leased on an operating lease to Reside Housing Association Limited, with the following values:

	2020 £'000	2019 £'000
Cost	1,553	2,940
Accumulated depreciation	(485)	(691)
	<u>1,068</u>	<u>2,249</u>

10 Intangible Assets

	CHARITY	
	2020 £'000	2019 £'000
<u>Goodwill</u>		
Cost B/f	800	800
Additions in year	-	-
Amortisation B/f	(800)	(733)
Amortisation in year	-	(67)
	<u>-</u>	<u>-</u>

Goodwill represents an amount paid on the acquisition of two services in 2014 from Seashell Trust. This was amortised over five years and fully released in August 2018.

	GROUP	
	2020 £'000	2019 £'000
Goodwill (as above)	-	-
Investments	94	106
	<u>94</u>	<u>106</u>

11 Investments

	Control %	Type	Company number	Country of incorporation	Company Status
Person Centred Housing Limited	100	Subsidiary	4578121	England & Wales	Active
Age Exchange	100	Subsidiary	1929724	England & Wales	Active
Inspirit Care Ltd	100	Subsidiary	4180614	England & Wales	Dormant
Technology Integrated Care Ltd	100	Subsidiary	12071990	England & Wales	Active

Person Centred Housing Limited ("PCH") is a company limited by guarantee. The Charity has the right to appoint and remove members. The registered address is: Old Market Court, Miners Way, Widnes, WA8 7SP.

Age Exchange is a company limited by guarantee. The registered address is: 11 Blackheath Village, Blackheath, London, SE3 9LA.

Inspirit Care is dormant and ceased to trade from the start of the 2014/15 Financial Year. As such it is exempt from preparing financial statements by virtue of S394 of Companies Act 2006. The registered address is: Old Market Court, Miners Way, Widnes, WA8 7SP.

Technology Integrated Care (TIC) is a private company limited by shares. TIC holds shares of £1. The registered address is: Old Market Court, Miners Way, Widnes, WA8 7SP. TIC has a joint venture in Preparing4Care LLP (P4C) (OC427880) and invested £50k. P4C made a loss of £62k in the year.

Community Integrated Care

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for the year ended 31 March 2020

12 Debtors

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due within one year				
Trade debtors	7,486	9,027	7,481	8,989
Other debtors	158	181	142	175
Prepayments & accrued income	3,621	3,160	3,616	3,153
	<u>11,265</u>	<u>12,368</u>	<u>11,239</u>	<u>12,317</u>
Amounts due after more than one year				
Amounts due from JV/subsidiary undertakings	51	-	89	-
Total	<u>11,316</u>	<u>12,368</u>	<u>11,328</u>	<u>12,317</u>

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
13 Creditors: amounts falling due within one year				
Trade creditors	2,455	2,192	2,446	2,174
Other taxes and social security	1,576	1,537	1,566	1,524
Other creditors	2,752	2,166	2,691	2,153
Bank loans due within one year	318	209	295	188
Accruals	11,777	11,512	11,746	11,479
	<u>18,878</u>	<u>17,616</u>	<u>18,744</u>	<u>17,518</u>

Included within accruals is an amount for deferred income. Deferred income comprises income received in advance of the delivery of the service as contracted.

	Group £'000	Charity £'000
The movement in the period is as follows		
Opening deferred income	1,193	1,174
Amounts charged for the year	1,508	1,495
Amounts released in the year	(1,193)	(1,174)
Closing deferred income	<u>1,508</u>	<u>1,495</u>

The Charity is the Custodian Trustee of residents' personal monies totalling £6.1M at 31st March 2020 (2019: £6.1M). These personal monies are held by banks other than the Charity's principal banker, and the funds are excluded from the financial statements.

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
14 Creditors: amounts falling due in more than one year				
Bank loans	3,103	4,382	2,800	4,055
Deferred Capital Grants	166	171	-	-
	<u>3,269</u>	<u>4,553</u>	<u>2,800</u>	<u>4,055</u>
Repayments fall due as follows:				
In the second to fifth year inclusive	1,348	975	1,266	850
After 5 years	1,755	3,407	1,534	3,205
	<u>3,103</u>	<u>4,382</u>	<u>2,800</u>	<u>4,055</u>
Bank loans due within one year (above)	318	209	295	188
Total loans and overdrafts	<u>3,421</u>	<u>4,591</u>	<u>3,095</u>	<u>4,243</u>

The charity previously held two loans with the Royal Bank of Scotland plc which were both paid back in full in March 2020 at a combined value of £4M.

The charity took out a new loan in July 2019 with the Charity Bank for £3.3m. This is a 10 year loan and carries a variable rate of interest at 2.1% above the Bank of England base rate. Security is held via charges on freehold land and buildings owned by the Group and also through a Debenture. Monthly repayments of £31k are due.

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15 Other financial commitments

At 31 March 2020 the group had commitments under non-cancellable operating leases as follows:

	GROUP Equipment		CHARITY Equipment	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Expiry date:				
Within one year	110	144	104	144
Between two and five years	417	-	416	-
	<u>527</u>	<u>144</u>	<u>520</u>	<u>144</u>

The total future minimum lease commitment for the group at 31 March 2020 is £527k (2019: £144k).

At 31 March 2020 the amounts payable to the group under non-cancellable operating leases as follows:

	GROUP Rental Income		CHARITY Rental Income	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Expiry date:				
Within one year	(317)	(310)	(250)	(250)
Between two and five years	-	-	-	-
	<u>(317)</u>	<u>(310)</u>	<u>(250)</u>	<u>(250)</u>

The total future minimum lease commitment for the group at 31 March 2020 is £317k (2019: £310k).

16 Statement of funds

GROUP	1 April 2018 £'000	Profit for the year		Other comprehensive income		31 March 2019 £'000	Profit for the year		Other comprehensive income		31 March 2020 £'000
		Income £'000	Expenditure £'000	Transfers £'000	DB Pension ad] £'000		Income £'000	Expenditure £'000	Transfers £'000	DB Pension ad] £'000	
Unrestricted funds	38,542	128,293	(135,509)	440	67	31,833	130,645	(131,915)	409	(298)	30,674
Restricted funds											
Capital grants	7,767	-	-	(440)	-	7,327	-	-	(409)	-	6,918
Fundraising and grant	-	582	(299)	-	-	283	720	(539)	-	-	464
Total restricted funds	<u>7,767</u>	<u>582</u>	<u>(299)</u>	<u>(440)</u>	<u>-</u>	<u>7,610</u>	<u>720</u>	<u>(539)</u>	<u>(409)</u>	<u>-</u>	<u>7,382</u>
Total funds	<u>46,309</u>	<u>128,875</u>	<u>(135,808)</u>	<u>-</u>	<u>67</u>	<u>39,443</u>	<u>131,365</u>	<u>(132,454)</u>	<u>-</u>	<u>(298)</u>	<u>38,056</u>

The capital grants fund of £6,918k comprises two elements. Firstly, £3,811k relating to the market value of the buildings donated to the Charity by Local Authorities at the date of their transfer. The fund is written off over the estimated useful life of the buildings which is 50 years.

Secondly, £3,107k relating to the Salford Homes fund represents monies provided to build the Salford homes, which is being written off over the useful economic life of the properties which is 23 years.

The transfers made between Restricted Funds and Unrestricted Funds represent the depreciation on the Group's fixed assets, to the extent that the assets were acquired using capital grants, which are part of Restricted Funds. Depreciation is initially calculated as part of the Group depreciation, and is then transferred to Restricted Funds.

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16 Statement of funds (continued)

	1 April 2018 £'000	Profit for the year		Other comprehensive income			31 March 2019 £'000	Profit for the year		Other comprehensive income			31 March 2020 £'000
		Income £'000	Expenditure £'000	Transfers £'000		DB Pension adj £'000		Income £'000	Expenditure £'000	Transfers £'000	PCH interco write off	DB Pension adj £'000	
CHARITY													
Unrestricted funds	38,765	126,932	(135,134)	440	(315)	67	30,755	130,334	(131,535)	409	0	(298)	29,665
Restricted funds													
Capital grants	7,767	-	-	(440)	-	-	7,327	-	-	(409)	-	-	6,918
Fundraising and grant	-	312	-	-	-	-	312	335	(146)	-	-	-	501
Total restricted funds	7,767	312	-	(440)	-	-	7,639	335	(146)	(409)	-	-	7,419
Total funds	46,532	127,244	(135,134)	-	(315)	67	38,394	130,669	(131,681)	-	-	(298)	37,084

17 Analysis of group net assets between funds

	31 March 2020 GROUP			31 March 2019 GROUP		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2020 are represented by						
Tangible fixed assets	30,156	6,918	37,074	33,962	7,327	41,289
Current assets	23,945	-	23,945	20,805	-	20,805
Current liabilities	(19,342)	464	(18,878)	(17,899)	283	(17,616)
Long-term liabilities	(3,269)	-	(3,269)	(4,553)	-	(4,553)
Long-term debtors	51	-	51	-	-	-
Pension provision	(867)	-	(867)	(482)	-	(482)
	<u>30,674</u>	<u>7,382</u>	<u>38,056</u>	<u>31,833</u>	<u>7,610</u>	<u>39,443</u>

	31 March 2020 CHARITY			31 March 2019 CHARITY		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2020 are represented by						
Tangible fixed assets	28,633	6,918	35,551	32,419	7,327	39,746
Current assets	23,944	-	23,944	20,703	-	20,703
Current liabilities	(19,245)	501	(18,744)	(17,830)	312	(17,518)
Long-term liabilities	(2,800)	-	(2,800)	(4,055)	-	(4,055)
Pension provision	(867)	-	(867)	(482)	-	(482)
	<u>29,665</u>	<u>7,419</u>	<u>37,084</u>	<u>30,755</u>	<u>7,639</u>	<u>38,394</u>

18 Pension scheme obligations- Defined contribution schemes

The group operates two defined contribution occupational pension schemes for employees. The support services and management staff pension fund is held with Aviva (3% standard employer contributions). The operational staff pension fund is held with The People's Pension (1% employer contributions). All assets of the schemes are held in independent funds with the aforementioned pension providers.

Pension costs charged in the SOFA represent the contributions payable by the charity in the year.

	2020 £'000	2019 £'000
Contributions paid	<u>1,989</u>	<u>1,612</u>

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19 Pension scheme obligations- Defined benefit schemes

The defined benefit schemes to which the Group is a contributor, comprise final salary schemes of the Local Government Pension Schemes ("LGPS") for Dumfries & Galloway and Greater Manchester. The LGPS are funded schemes, with the assets held in separate trustee administered funds. The pension cost is assessed every three years in accordance with advice from independent qualified actuaries, using the projected unit method. The latest actuarial valuations of the schemes were as at 31st March 2019 for Greater Manchester and 31st March 2017 for D&G.

The figures in the following tables include relevant information provided by the Local Authorities who are the administering authorities for the funds. On 31st March 2019 the Teesside pension scheme, previously classified as defined benefit, was settled and transferred to Hartlepool Borough Council along with the responsibility for current and future assets and liabilities associated with the scheme. It was agreed with Hartlepool that from this date the scheme would remain with the Group but under a defined contribution arrangement with a fixed contribution rate of 23% for the duration of the remaining employees' employment.

The Group is also a contributor to the National Health pension scheme and the rate of contribution for 19/20 was 20.6%. The NHS scheme is a multi employer defined benefit scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Group. The scheme is therefore accounted for as a defined contribution scheme, and the contributions made by the Group are included under this heading above.

19a Assumptions

	D&G		Teesside		Greater Manchester	
	2020 %pa	2019 %pa	2020 %pa	2019 %pa	2020 %pa	2019 %pa
Salary increase rate	2.7	3.3	N/A	3.2	2.7	3.3
Pension increase rate	2.0	2.5	N/A	2.2	1.9	2.5
Discount rate	2.3	2.4	N/A	2.4	2.3	2.4

Mortality assumptions

	D&G		Teesside		Greater Manchester	
	Male	Female	Male	Female	Male	Female
Average number of years lived after 65:						
Current pensioners	21.1	23.4	N/A	N/A	20.5	23.1
Future pensioners	22.0	25.0	N/A	N/A	22.0	25.0

Life expectancy is based on actuarial tables PFA92 and PMA92.

19b Amounts included in the Group Statement of Financial Activities

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Current service cost	(23)	(46)	-	(12)	(143)	(125)	(166)	(183)
Past service cost (including curtailments)	(13)	-	-	-	-	-	(13)	-
Net interest income on plan assets	208	222	-	173	232	240	440	635
Net interest cost on defined benefit obligation	(223)	(234)	-	(160)	(209)	(210)	(432)	(604)
	(51)	(58)	-	1	(120)	(95)	(171)	(152)

19c Amounts included in other recognised gains and losses (Group).

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Return on assets exc. amounts included in net interest	(1,228)	373	-	374	(1,125)	434	(2,353)	1,181
Remeasurements:								
Changes in demographic assumptions	310	-	-	-	229	-	539	-
Changes in financial assumptions	500	(376)	-	(52)	673	(579)	1,173	(1,007)
Other experience	64	-	-	-	423	-	487	-
Settlement	-	-	-	(811)	-	-	-	(811)
PY surplus restriction adj	-	-	-	(6)	-	53	-	47
Surplus restrictions in year	-	-	-	480	(144)	177	(144)	657
Actuarial gains/ (losses) on DB pension scheme	(354)	(3)	-	(15)	56	85	(298)	67

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19d Pension scheme assets and liabilities

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Fair value of scheme assets	7,623	8,984	-	-	8,719	9,710	16,342	18,694
Present value of scheme liabilities	(8,490)	(9,466)	-	-	(7,530)	(8,665)	(16,020)	(18,131)
Net Assets/(Liabilities)	(867)	(482)	-	-	1,189	1,045	322	563
Surplus Restriction	-	-	-	-	(1,189)	(1,045)	(1,189)	(1,045)
Net Assets/(Liabilities) included in Group balance sheet	(867)	(482)	-	-	-	-	(867)	(482)

Pension schemes with net surpluses are not recognised within these accounts because recovery of these assets from the schemes is not certain. The surpluses are removed from the accounts in the lines annotated as 'Surplus restriction'.

19e Fair value of scheme assets - movements in year

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Opening fair value of plan assets	8,984	8,724	-	6,745	9,710	9,093	18,694	24,562
Net interest income on plan assets	208	222	-	173	232	240	440	635
Plan participant's contributions	3	6	-	2	20	19	23	27
Employer contributions	20	42	-	8	64	63	84	113
Return on assets exc. amounts included in net interest	(1,228)	373	-	374	(1,125)	434	(2,353)	1,181
Benefits paid to members	(364)	(383)	-	(221)	(182)	(139)	(546)	(743)
Settlements	-	-	-	(7,081)	-	-	0	(7,081)
Closing fair value of plan assets	7,623	8,984	-	0	8,719	9,710	16,342	18,694
Opening fair value of plan assets	8,984	8,724	-	6,745	9,710	9,093	18,694	24,562
Opening surplus restrictions	-	-	-	(480)	(1,045)	(1,222)	(1,045)	(1,702)
Opening fair value of plan assets (net of restrictions)	8,984	8,724	-	6,265	8,665	7,871	17,649	22,860
Closing fair value of plan assets	7,623	8,984	-	-	8,719	9,710	16,342	18,694
Closing surplus restrictions	-	-	-	-	(1,189)	(1,045)	(1,189)	(1,045)
Closing fair value of plan assets (net of restrictions)	7,623	8,984	-	-	7,530	8,665	15,153	17,649

19f Analysis of fair value of scheme assets

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Equities	5,184	6,828	-	-	6,016	6,700	11,199	13,528
Gifts and bonds	2,363	1,348	-	-	1,308	1,457	3,671	2,805
Property	76	809	-	-	610	777	688	1,586
Cash	-	-	-	-	785	777	785	777
	7,623	8,985	-	-	8,719	9,711	16,342	18,696

19g Defined benefit obligation - movements in year

	D&G		Teesside		Greater Manchester		Total	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Opening value of liabilities	(9,466)	(9,187)	-	(6,265)	(8,665)	(7,871)	(18,131)	(23,323)
Current service cost	(23)	(46)	-	(12)	(143)	(125)	(166)	(183)
Past service cost (including curtailments)	(13)	-	-	-	-	-	(13)	-
Net interest cost on defined benefit obligation	(223)	(234)	-	(160)	(209)	(210)	(432)	(604)
Plan participant's contributions	(3)	(6)	-	(2)	(20)	(19)	(23)	(27)
Remeasurements:								
Changes in demographic assumptions	310	-	-	-	229	-	539	0
Changes in financial assumptions	500	(376)	-	(52)	673	(579)	1,173	(1,007)
Other experience	64	-	-	-	423	-	487	0
Benefits paid to members	364	383	-	221	182	139	546	743
Settlements	-	-	-	6,270	-	-	0	6,270
Closing value of liabilities	(8,490)	(9,466)	-	-	(7,530)	(8,665)	(16,020)	(18,131)

Community Integrated Care
Notes to the financial statements

for the year ended 31 March 2020

19h History of experience gains and losses

	D & G		Teesside		Greater Manchester	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Asset experience gains / (losses)	(1,228)	373	-	374	(1,125)	434
Value of assets	7,623	8,984	-	-	8,719	9,710
Percentage of assets	(16.1%)	4.2%	-	-	(12.9%)	4.5%
Liability experience gains / (losses)	874	(376)	-	(52)	1,325	(579)
Present value of liabilities	(8,490)	9,466	-	-	(7,530)	8,665
Percentage of present value of liabilities	(10.3%)	(4.0%)	-	-	(17.6%)	(6.7%)
Actuarial gains/(losses) before surplus restrictons	(354)	(3)	-	322	200	(145)
Present value of liabilities	(8,490)	9,466	-	-	(7,530)	8,665
Percentage of the present value of liabilities	4.2%	(0.0%)	-	-	(2.7%)	(1.7%)

20 Financial Instruments

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
FINANCIAL ASSETS				
Cash	12,678	8,436	12,616	8,386
Trade debtors	7,486	9,027	7,481	8,989
Other debtors	970	181	949	175
Accrued income	2,809	3,160	2,809	3,153
	23,943	20,804	23,855	20,703
FINANCIAL LIABILITIES				
Trade creditors	2,455	2,192	2,446	2,174
Other taxes and social security	-	-	-	-
Other creditors	2,752	2,166	2,691	2,153
Bank Loans	318	209	295	188
Accruals	11,777	11,512	11,746	11,479
Total	17,302	16,079	17,178	15,994

Community Integrated Care

Notes to the financial statements for the year ended 31 March 2020

21 Related Party Transactions

Person Centred Housing Limited

Community Integrated Care rent a property from Person Centred Housing at a normal commercial value. Related party transactions include rent payments to PCH totalling £20k (2019: £20k), a management charge from PCH of £8k (£10k in 2019) and a Gift Aid donation from PCH to CIC for £13k (2019: £nil). At the end of the year, PCH owed CIC £25k (2019: £nil).

Age Exchange Limited

In year CIC loaned Age Exchange £20k and recharged support costs of £1k (2019: £nil). Age Exchange recharged staff costs to CIC of £7k (2019: £nil). At the end of the year, Age Exchange owed CIC £13k (2019: £nil).

Preparing4Care LLP

At the end of the year, P4C owed CIC £1k for recharged support costs.

22 Analysis of changes in net debt

GROUP	At 1 Apr 2019	Cash flows	Other non- cash changes	At 31 Mar 2020
Cash and cash equivalents				
Cash	8,436	4,242	-	12,678
	<u>8,436</u>	<u>4,242</u>	<u>-</u>	<u>12,678</u>
Borrowings				
Debt due within one year	(209)	(109)	-	(318)
Debt due after one year	(4,382)	1,279	-	(3,103)
	<u>(4,591)</u>	<u>1,170</u>	<u>-</u>	<u>(3,421)</u>
Total	<u>3,845</u>	<u>5,412</u>	<u>-</u>	<u>9,257</u>

23 Investment in associate

During the year, Technology Integrated Care Limited invested £50k in a joint venture, Preparing4Care LLP.

	£'000
Balance at 1 April 2019	-
Investment	50
Share of loss in the year	(31)
Balance at 31 March 2020	<u>19</u>

There was no premium on acquisition relating to the associated joint venture.