

**MacIntyre Care**

**Report and  
Financial Statements**

**YEAR ENDED 31 MARCH 2018**

**Registered Charity 250840**

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

<b>Contents</b>	<b>Page Number</b>
<b>Legal &amp; Administration Details</b>	<b>2</b>
<b>Chairman's Report</b>	<b>4</b>
<b>Chief Executive's Report</b>	<b>10</b>
<b>Trustees' Report</b>	<b>19</b>
<b>Independent Auditors Report to the members of MacIntyre Care</b>	<b>23</b>
<b>Statement of Financial Activities (Including Income &amp; Expenditure Account)</b>	<b>26</b>
<b>Balance Sheet</b>	<b>27</b>
<b>Cash Flow Statement</b>	<b>28</b>
<b>Notes to the Financial Statements</b>	<b>29</b>

## **LEGAL & ADMINISTRATIVE DETAILS**

### **TRUSTEES**

John Berriman (Chairman)  
Adam Goldstein  
Rosemary Hart  
Dr Dragana Josifova  
Neil Macmillan  
Pam Meek  
Ruth Smyth  
Duncan Strachan  
Nikki Williams-Ellis MBE  
Rachel Taylor  
Martin Zahra

### **COMMITTEES IN 2017/18**

#### **Audit, Risk & Safeguarding**

Rosemary Hart \*  
Rachel Taylor  
Martin Zahra

#### **Education**

Adam Goldstein  
Dragana Josifova  
Neil Macmillan \*  
Pam Meek

#### **Governance Review**

John Berriman  
Rosemary Hart \*  
Martin Zahra

#### **Nominations**

John Berriman \*  
Rosemary Hart  
Rachel Taylor (appointed 23 April 2018)

#### **Property**

Rosemary Hart  
Nikki Williams-Ellis\*

#### **Remuneration & Wellbeing**

Ruth Smyth  
Duncan Strachan \*  
Nikki Williams-Ellis

\* denotes committee chairs

**SENIOR MANAGEMENT AND COMPANY SECRETARY**

**Sarah Burslem**

Chief Executive

[Sarah.burslem@macintyrecharity.org](mailto:Sarah.burslem@macintyrecharity.org)

**Claire Toombs**

Finance Director and Company Secretary

[Claire.toombs@macintyrecharity.org](mailto:Claire.toombs@macintyrecharity.org)

**Helen Bass**

Workforce Director

[Helen.bass@macintyrecharity.org](mailto:Helen.bass@macintyrecharity.org)

**Emma Killick**

Adult Services Director

[Emma.killick@macintyrecharity.org](mailto:Emma.killick@macintyrecharity.org)

**Natalie MacPherson**

Development Director

[Natalie.macpherson@macintyrecharity.org](mailto:Natalie.macpherson@macintyrecharity.org)

**PRINCIPAL AND REGISTERED OFFICE**

602 South Seventh Street

Central Milton Keynes

Buckinghamshire MK9 2JA

Telephone: 01908 230100

Website: [www.macintyrecharity.org](http://www.macintyrecharity.org)

Company Registration No: 00894054 (England and Wales)

Registered Charity No: 250840

**ADVISORS TO THE CHARITY**

**AUDITORS**

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

**BANKERS**

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

**SOLICITORS**

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

### CHAIRMAN'S REPORT

#### Introduction - a carefully managed charity

The MacIntyre group, for reporting purposes, comprises two charities, MacIntyre Care and MacIntyre Academies. MacIntyre Care, formed over 50 years ago in 1966, is a sector-leading national charity providing learning, support, education and care to just under 1,500 children, young people and adults with learning disabilities, complex needs and autism, and their families across England and Wales. MacIntyre Academies Academy Trust (a multi academy trust), formed in 2012, for which MacIntyre Care is the formal sponsor, provides education to those with special educational needs.

This is the first year of the full inclusion in the accounts of the results and balance sheet of MacIntyre Academies, as it is now of sufficient size and scale to be consolidated in the MacIntyre group results. Comparative figures have been restated accordingly. The MacIntyre group had total incoming resources of £53.7m in 2018 (£52.5m in 2017) on which it generated a surplus of £804k (£1,463k in 2017). MacIntyre Care had total incoming resources of £47.3m in 2018 (£47.8m in 2017) and MacIntyre Academies had total incoming resources of £6.4m in 2018 (£4.7m in 2017).

We are most grateful to all those who were so generous in supporting the group this year and in previous years, both financially and with their time. Donations and legacies generated £292k (£2,502k in 2017) of our overall surplus. The core operating activities of the group, which continue to operate on incredibly fine margins, particularly within MacIntyre Care, returned a small surplus in the year of £0.3m (£0.2m in 2017). Generating an annual surplus for reinvestment in the business is essential for our long term future.

The level of overall reserves in MacIntyre Care have built up prudently over more than 50 years and today the charity has unrestricted general reserves of £2.5m (2017 £1.8m). We estimate that over that time we have provided education to some 1,000 people with learning disabilities and we have supported a further 2,500 adults and their families through our various MacIntyre Care services across the UK.

The significant uncertainty during the year over the resolution of the legally required level of sleep-in payments cast a shadow over the financial stability of the whole learning disability provider market. We are pleased that the financial uncertainty around the legal minimum level of sleep-in payments, which had the potential to impact the financial future of many charities including MacIntyre, has been resolved. The Court of Appeal found in July 2018 in the case of *Royal Mencap Society v Tomlinson-Blake* that the National Minimum Wage does not apply to sleep-in shifts, unless the worker involved is awake for the purpose of working. This ruling confirms that now, and at all times historically, we have paid our staff in accordance with the law.

Our ongoing principal day to day financial challenges in MacIntyre Care continue to be to minimise agency costs and empty place costs and negotiate fair and reasonable cost increases from commissioning bodies. Management were remarkably successful in the annual round of fee negotiations this year. Trustees acknowledge their tenacity and the quality of the working relationships they have established with our funding commissioners, whom we also thank for their support. MacIntyre operates on tight margins and so small losses of fees or adverse cost variances have a disproportionately negative impact on our results.

In MacIntyre Academies our main financial challenge is to ensure that, in a sector that is experiencing funding pressures, we sustain levels of fees which enable us to deliver outstanding education and maintain buildings, facilities and equipment.

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

### CHAIRMAN'S REPORT

We continue to benchmark our cost profile against others in our sector, as a means of ensuring that we remain competitive and efficient. We know that donors and providers of funds want to be assured that their monies are being spent wisely and as fully as possible on charitable activities. Our central administrative costs in MacIntyre Care, expressed as a percentage of our turnover, stand at a healthy 6% (6% in 2017) and remain in the best quartile compared to the charitable sector as a whole.

We remain a robust and secure group with a strong consolidated balance sheet, with total funds of £30.5m (£30.3m in 2017), and a cost conscious mentality, embedded firmly alongside our desire to provide the best possible education, support and care for the wide variety of people whom we support.

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

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

We have a well-balanced and stable Board in MacIntyre Care comprising 11 Trustees and there have been no Board changes in the year. All our Trustees continue to give very generously of their time, both to Board and committee meetings and to advising me and management on a variety of important matters. We have an excellent blend of Trustee capabilities in MacIntyre which include legal, financial, risk management, property, sales & marketing, Education, HR, genetics and general management skills. I am very grateful to each of my fellow Trustees for their support and contribution.

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

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

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

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

The minutes of all committee meetings are made available to all Trustees via a user-friendly, intuitive board portal, accessible on a PC, phone or tablet. This enables Trustees to access past and present meetings and decisions from one single, secure platform. This digital platform helps improve further our governance and compliance, enhances information confidentiality and security and facilitates Board administration.

## CHAIRMAN'S REPORT

### Our strategy around collaboration

We are a major provider of education and social care services today in the UK and our ambition is to continue to grow to meet social and educational need. It is clear that there remains a significant appetite for the range of innovative specialist services that we provide and, more importantly, the way in which we provide them - *the MacIntyre way*.

The financial and regulatory challenges facing us are ever more demanding. One strategic option we have focussed on is whether, and if so how, to share resources or collaborate with other charities in the sectors in which we operate. This has involved us in assessing the relative merits of various collaboration options, from joint front line or support activities, to simple alliances or the potential of a full merger.

We are clear that we would only enter into new collaboration arrangements with those with whom we share common values or where we can make an incremental difference by working together, or as a means of enhancing our brand and making sure we can bring *the MacIntyre way* to a wider range of people whom we can support. We already have a number of collaboration arrangements in place with other charities and we will continue to look for further opportunities in line with our strategic criteria.

Whilst being open to any collaboration opportunity that might present itself, we would not however pursue an opportunity that might undermine our ability to meet our charitable objectives or impact our commitments to the substantial number of vulnerable people whom we already support.

### Our culture and focus on safeguarding

There has been significant and understandable public concern expressed about the culture of a number of large charitable organisations. It has been distressing to learn of the alleged behaviours of some staff employed by certain humanitarian organisations providing aid overseas. Understandably this has caused an erosion of trust in the wider charitable sector.

In the light of this, we undertook an additional assessment this year of how we provide a safe and trusted environment which safeguards anyone with whom we have contact, including beneficiaries, staff and volunteers; and how we set an organisational culture that prioritises safeguarding, so that it is safe for those affected to come forward, and to report incidents and concerns with the assurance that they will be handled sensitively and properly. Additionally, we re-confirmed that we have adequate safeguarding policies, procedures and measures to protect people and that these are shared and understood; and that we have clarity as to how incidents and allegations will be handled should they arise, including reporting to the relevant authorities.

As I have reported regularly in my Chairman's reports, we have an organisational culture in MacIntyre that prioritises safeguarding. The wellbeing of the children and adults we support has always been and always will be our top priority. Equally we seek to provide a safe and trusted environment which safeguards our staff and promotes their wellbeing. The working environment is not always easy and some of the people we support show challenging behaviours.

In summary, we have clear safeguarding policies, procedures and measures to protect people and these are shared and understood across the organisation. Additionally, we have an established reporting mechanism and a whistleblowing helpline that enables anyone with concerns to report incidents and concerns, with the assurance that they will be handled sensitively and properly. Our audit, risk and safeguarding committee takes an annual report from our nominated safeguarding officer and our whistleblowing policy is subject to annual review by that committee to ensure that it remains fit for purpose.

Trustees and management take great care to fully assure themselves of our practice standards and to assure others as well. We recognise in particular that it is crucial that our people know how to act properly and do so at all times. We are clear as to how any incidents and allegations are to be handled, including reporting to the relevant authorities. History shows that organisationally we respond quickly, effectively, professionally and with transparency, on the rare occasion when any issues arise.

## CHAIRMAN'S REPORT

### Ensuring that our governance is in good order

In MacIntyre we have always placed a premium on good governance and ensuring that we manage our affairs effectively and appropriately. We commissioned an independent review of our governance in 2015/16 by *Optimum Support for Charities*. Their report concluded that MacIntyre has instituted appropriate and largely effective governance systems, processes and procedures for a charitable organisation of our size, scale and complexity. The review report commented in particular on the strength and openness of the working relationships between Trustees and Directors and amongst the respective teams. This is a major contributory factor to ensuring the quality of our governance and for monitoring our culture and approach.

The Charity Commission Charity Governance Code has been revised since then and so in July 2018 we undertook a self-review of our governance viewed against the Code. The Code emphasises that it is important that Trustees discuss the Code's principles and recommended practice and make well-considered decisions about how these should be applied. There are seven principles of the Code and these relate to organisational purpose, leadership, integrity, decision-making, risk and control, board effectiveness, diversity and openness and accountability.

Each Trustee and Director reviewed the Code principles and outcomes in the context of MacIntyre and this formed the basis of a focussed and productive discussion at the Board. The Board concluded that we are satisfied that we are applying all the seven principles in the way we govern ourselves and that we either fully or largely meet the desired outcomes in respect of each of the seven principles. We agreed that we will explore in further detail how best we document certain governance processes, decisions and actions. It was further agreed that the Governance Committee of the Board will be reactivated to advise on a follow up plan. We also agreed to establish a new Board committee to focus on technology, digital and marketing and we will recruit a new Trustee to help us on the digital agenda.

### Developing and overseeing our schools

Our education committee, which oversees the strategic development of education services across both MacIntyre and MacIntyre Academies, met twice in the year. The committee, chaired by Neil Macmillan, includes MacIntyre Trustees with a special education interest, and is attended by the Schools COO (and previously by the Director of Children and Young People Services). School Principals attend according to the relevance of the agenda and Johnny Goedhuis, former Trustee, has a standing invitation to attend committee meetings as an education ambassador to MacIntyre.

We aspire for all our schools (Wingrave School in MacIntyre Care and the three MacIntyre Academies schools in Oxfordshire, Nuneaton and Rugby) to espouse and promulgate the MacIntyre philosophy of care and education for children with special learning needs. Since 2012, as government policy evolved, we have placed a focus on developing Academy provision, fully integrated within a local authority's special educational needs plan. Our Academy schools are focussed in a relatively tight geographical area to enable maximum collaboration and cross-fertilisation of ideas and for ease of management control.

Separate Local Advisory Boards for each school meet quarterly and are responsible inter alia for ensuring the good governance of the schools, including supporting the Principal, scrutinising student progress, monitoring the school's finances and the achievement, quality of teaching and behaviours and safety in the school. The terms of reference for all the schools mirror the governance terms of each other. The Advisory Boards are open to any Trustee to attend.

MacIntyre Care, as sponsor, is itself a corporate member of MacIntyre Academies and is represented by our CEO, Sarah Burslem. Claire Toombs, Finance Director of MacIntyre is the Accounting Officer of MacIntyre Academies and she is also the Company Secretary of both MacIntyre and MacIntyre Academies. The Directors of MacIntyre Academies include Neil Macmillan (who is the chair of MacIntyre Academies) and Martin Zahra, who are the two nominated MacIntyre Care representatives. Additionally, there are three independent directors: Shaun Temple Brown, who is a corporate governance, risk and assurance expert; Charlotte May, who is a former deputy Head Teacher; and Anthony Greenwood, who has a wealth of both commercial and public sector experience, as well as being a Board member of a West Midlands Academy. Denise Cockrem, who is an experienced



### CHAIRMAN'S REPORT

executive finance director and also a non-executive director at Skipton Building Society, joined MacIntyre Academies on 1<sup>st</sup> April 2017 as an Independent Member.

Prior to her stepping down, Sam Ram, the former MacIntyre Care Director of Children and Young People services, had management oversight of MacIntyre Academies' activities from the perspective of MacIntyre Care. From March 2018 that management oversight is provided by Rachelle Russell, reporting to Sarah Burslem. The oversight responsibilities include ensuring that there is maximum cross-over of learning between the two charities insofar as education is concerned, both operationally and from a governance perspective. Board reports on progress in all the schools are taken at MacIntyre Care Trustee meetings.

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

Our staff are our lifeblood. They interact positively with the people we support each and every day and make sure that MacIntyre's commitments to each of them are brought to life and really lived.

Our remuneration & wellbeing committee, chaired by Duncan Strachan, met twice in the year. The committee reviews Director reward, staff reward levels and other workforce related matters. It took a report from the Workforce Director and reviewed the 2017/18 workforce strategy, including pay and reward proposals. The committee is keen to ensure that the remuneration of all employees is competitive and fair within the current financial constraints that the sector faces. It recognises the pay concerns that have been expressed through staff surveys and the patience of our staff as we seek to find the funds to increase remuneration.

The committee was delighted to endorse the pay proposals, brought forward by management half way through the year, for increasing the pay in MacIntyre Care of those who had not received a pay increase in recent years, as well as introducing greater differentiation in pay for senior support workers. Additionally, it was pleased that the monies saved by the changes made to the sickness policy in the previous year were distributed in full to the whole workforce.

The committee further reviewed the gender pay gap data that we published in January 2018, as required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. In MacIntyre Care our workforce is predominantly female, with women making up 75% of our staff, which is reflective of the wider social care sector. We are confident, due to our job evaluation process and salary bandings, that men and women are paid equally for the same or similar roles. There is however an under-representation of males in all divisions within the organisation, which is one of the main reasons for our mean gender pay gap, which at the date of reporting (April 2017) stood at 5.7% in favour of females.

Trustees were briefed regularly at the full Board as well as at committee meetings on the focus on recruitment, retention, equality and staff engagement in particular. It is essential that we continue to focus relentlessly on imaginative ways of recruiting people into MacIntyre and on reducing the level of staff vacancies, in order to reduce the use of agency staff and maintain high quality service levels. Trustees have encouraged management to explore how best data analytic techniques may help us in predicting and managing vacancy levels.

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

Our property committee, which reviews major property moves, new builds and major refurbishments, is chaired by Nikki Williams-Ellis and met twice in the year. The committee took reports from the Finance Director and focussed its attention in particular on refurbishing buildings in Chesterfield and ongoing property work at Wingrave school.

#### **Safeguarding our finances and those whom we support**

Our audit, risk & safeguarding committee reviews finance, audit, risk, safeguarding, health & safety and compliance matters. The committee, chaired by Rosemary Hart, met three times in the year. In terms of the finances of MacIntyre, the committee reviewed MacIntyre's financial systems, controls, risk management and risk registers, including key risks, financial results and balance sheet. It also

## CHAIRMAN'S REPORT

reviewed MacIntyre's budgets, cost management (including agency costs and empty place costs), cash management and forecasts, its policy for investment of surplus funds and its reserves policy. The committee also received a report in respect of the annual statutory audit from our external auditors, Kingston Smith.

In terms of risk and compliance, the committee received reports from the Compliance Manager, which included the results from Ofsted and the Care Quality Commission's audits of our services, and from the Health & Safety Manager, which included the results of external audits undertaken by BSI. The committee also reviewed the corporate health and safety objectives and MacIntyre's risk register. Safeguarding is specifically monitored alongside other risks, as part of the committee's regular business agenda. Our nominated safeguarding officer presented the safeguarding annual report to the committee and the Whistleblowing Policy was also subject to annual review.

### Outlook for the next year

The coming year looks no less challenging than the past and so we need to be relentless in striving to achieve excellence for all those whom we support. We will continue to focus on innovating in service delivery, working collaboratively with our funders and commissioners in a transparent way; and investing in the skills of our people. We will continue to use our designated funds to create impact, including providing some support to people who are in danger of falling through the national service gap. And as usual we will be tough on discretionary spend, vigilant on cost, firm on fee negotiations and effective in our day to day management. These have been hallmarks of the way we have worked for years.

We will actively explore opportunities to collaborate with other service providers. And we will also continue to work closely with BILD, VODG and other external bodies, in particular to make the case for government investment in the social care sector. We believe that this is essential so that we and other providers of services to the learning disability sector can provide the care and education services that are needed by the people whom we support and their families.

Our skilled staff make the real difference to the day to day lives of the young people and adults who use our services. Speaking personally, my brother has enjoyed that care and support for over 50 years. Our staff are aspirational for the people they support and interact with commitment and sensitivity. This expertise and positivity ensures that MacIntyre's DNA is brought to life and experienced by each person we support.

On behalf of those whom we support and the Trustees, I would like to thank everyone associated with MacIntyre for continuing to provide the environment in which our charity can flourish. I speak for all the Trustees when I thank all of our people for yet another year of incredibly hard work and commitment to MacIntyre.

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

**21.12.2018**

## CHIEF EXECUTIVE'S REPORT

### Introduction

MacIntyre continues to thrive despite the challenging environment in which we operate. The achievements have been made possible by the creativity, resilience and commitment of our people, and our supporters. We have a long and rich history and heritage. We remain passionate about the rights of disabled people and their families and our focus continues to be on the development and delivery of education, care and support that is aspirational, person centred and that our delivery models are as alternative in their design and delivery as necessary to make sense to the people concerned.

We provide a full range of services for both children and adults. This is unusual and brings challenges in terms of the extent of the different legislation with which we must comply and the multiplicity of regulators overseeing our activities. The range of environments in which we work continues to grow and evolve, which adds to the richness of experience for the people we support and for our workforce. Our relationships across these environments with families, partnership organisations, community groups, regulators, and commissioners adds a further richness to our organisation.

In the last year the number of adults supported by MacIntyre Care increased to 1,112 adults (2017 1,098 adults) and our employee base increased to 2,151 staff (2017 2,059 staff). The numbers of children attending our schools within MacIntyre Academies has increased significantly from 80 children last year to 147 children this year. Additionally, 220 children (2017 190 children) and young people access our education services in MacIntyre Care.

The stability of the social care market has attracted wide media attention over the last year. Commissioners and providers were disappointed by the government's announcement that working age adults will fall outside the scope of the forthcoming Social Care Green Paper and frustrated by the absence of a longer term funding solution. The sector faces daily challenges brought about by a £7bn reduction in adult social care funding since 2010. More than three in every four directors of adult social care report concerns about their ability to meet their statutory duties.

It is important within this context that we continue to plan our approach carefully and deliver education, care and support with an unwavering commitment to quality and with the confidence to set high standards. We aim to lead the way in terms of practise. This unrelenting focus on best practise has to be set in the context of our commercial position. Despite another year of significant increases to our cost base, our financial performance has been strong, delivering a group surplus of £804k (2017 £1,463k). This enabled us to reward key parts of our workforce by giving a range of salary increases across the Group. Our financial outcome has been underpinned by robust fee negotiations, an ability to secure significant new growth and by the relentless and tight management of our expenditure.

We have reviewed our strategy *Proud of our Past and Ambitious for Our Future* and restated our intention to be the best in all that we do. We focus on our DNA and ensure that the knowledge and skills of our diverse workforce represents best practice. Our charitable funds continue to be invested in ways that strengthen our core business and importantly, as a charity, deliver wider public benefit. We hope that those who interact with Macintyre will be reassured by our strong value base (our DNA), our specialist practise activity, our investment of charitable funds and by the extent of our investment in partnerships and collaborations.

### MacIntyre leadership

We changed some of the areas of responsibility of the operational senior leadership team towards the end of the financial year, following the departure of Sam Ram, previously the Director of our Children and Young People Division (CYP), in January 2018. Rachelle Russell, Chief Operating Officer for MacIntyre Academies, has taken the operational lead role for all our schools, spanning all the MAT academies and Wingrave School in MacIntyre Care. We are in the process of recruiting a second adult services operational director to work alongside Emma Killick, as we seek to secure additional depth and breadth to our local infrastructure and to support our plans for growth. Emma Killick also continues to lead our award-winning dementia research nationally.

## CHIEF EXECUTIVE'S REPORT

Claire Toombs continues to oversee our finance, technology and staff support functions, with Helen Bass heading our Human Resource and workforce departments. During the year both Directors have personally overseen the procurement and implementation of a new payroll and HR system. This went live following the year end and is already giving us improved data and an enhanced reporting capability. Claire Toombs, who is also our company secretary, has assumed the role of Data Protection Officer (DPO). She has developed and implemented our plans to ensure compliance with the recently enacted GDPR regulations.

Natalie MacPherson continues in her role as Business Development Director, a directorate that has set and achieved challenging growth targets in the year. She also oversees our marketing and fundraising team.

My senior leadership team works closely with the Trustees and this is something that I as CEO and our chairman John Berriman both encourage. From the management perspective we welcome the probing, challenge and support that Trustees provide and the time that they give individually when we ask to help us address specific issues. Trustees bring an independent perspective to all that they do and they are generous with their time, giving us as management the benefit of their specialist knowledge and experience.

### **Our strategy**

We continue to pursue our strategy *Proud of Our Past and Ambitious for our Future*. We consult and reflect throughout the year with a range of people connected with MacIntyre to ensure that our focus, behaviours and decisions are aligned to our vision, purpose and objectives.

The decision to share some key leadership roles across MacIntyre and MacIntyre Academies has enabled us to strengthen the education and learning within all our schools, foster an open and sharing culture across both organisations, and ensure that all provision responds in a timely fashion to legislative and regulatory expectations.

We have ensured that the unique benefits of being both an education and social care provider are fully realised for the children and adults involved, for the workforce and for the wider sector. A number of children leaving our schools have moved into further education, delivered by one of our *No Limits* college partnerships. A number of *No Limits* learners have transitioned into our adult social care provision and aspects of our alternative curriculums are being introduced into our care and support services.

We have a number of employees taking up secondments or moving flexibly within the organisation to experience different roles. This is particularly pleasing and an area of special focus, given the worrying demographics facing the social care sector.

We continue to appraise the impact of our charitable funds on our strategic intent and align our investment accordingly. For the year under review we invested our charitable funds in the practise areas of Positive Behaviour Support (£200k) and Dementia (£100k), and in enhancing our role as a community connector in Warrington (£50k). In addition, we have invested a further £50k into the setting up of our *No Limits* school offer and in building greater capacity in our Transforming Care development work.

### **Education**

We are supportive of the Department for Education's (DfE) vision for improving social mobility through education, as set out in the December 2017 DfE paper *Unlocking Talent, Fulfilling Potential*. We recognise however that the reality for many young people and their families falls short of this vision, with a number facing inequality of opportunity to access education, an increased risk of exclusion and limited post school offer. It is within this context that we continue to grow and develop both our school offer and our *No Limits* further education programmes.

### CHIEF EXECUTIVE'S REPORT

It is widely accepted that the quality of alternative education provision is patchy across the sector, that there are real difficulties in aligning policy with practice and that there are multiple barriers to scaling up pockets of excellence. We were pleased, as a niche specialist educational needs and disability (SEND) school provider and as an alternative further education (FE) provider, to be invited to present our views and solutions to these complex issues at the 2017 Department of Education SEND *Policy Fest*. Following this policy debate we were heartened by the interest of the Department's SEND Policy leads to spend time with us, observing our models of delivery and talking to students and families about outcomes.

#### Schools

The Board of MacIntyre Trustees decided in 2012 to invest in the development of a Multi Academy Trust (MacIntyre Academies) with the intention of setting up local schools for local children. MacIntyre, as the Sponsor of MacIntyre Academies, retains a strong level of oversight and there are effective and creative working protocols between the two organisations. During the course of the year all schools have aligned still further, enabling improved development of alternative curriculums and school improvement strategies, better sharing of best practice and the introduction of cross-school moderation.

Endeavour Academy opened its doors in 2014 and now has 31 students, a number of whom use the short breaks facility that adjoins the school. Coral Romain joined the school as their Principal in January 2018. The school was assessed as *Good* at their first Ofsted inspection. Discovery Academy, Nuneaton opened in September 2015 and increased their student numbers from 50 students last year to 87 students this year. Discovery Academy, under the stewardship of its Principal Mathew Pike, was rated as *Good* at their first Ofsted inspection in 2018. Quest school opened in a temporary site, also in Nuneaton, in September 2017 with Nicola Wells taking up the Principal post. Quest currently has 40 students and this will rise to 100 students when they move to their permanent site in Rugby in 2019. MacIntyre Academies was awarded a *Family First Quality Award* in October 2017 recognising the warm and effective relationships that have developed with families across all the schools.

MacIntyre Care's longstanding independent residential special school, Wingrave School, continues to provide specialist education and care, recognising that for some children and families a local academy or free school alternative may not be available. Thirty students with ages ranging from 10 to 19 learn and live at Wingrave School or at its satellite children's home in nearby Leighton Buzzard. Both are rated as *Good* by Ofsted for their education and care provision. A new and progressive curriculum was introduced in September 2017 and MacIntyre continues to invest in the development of the behaviour support teams at the school.

#### Further Education

Our imaginative *No Limits* further education programme was set up some years ago in recognition of the inequality of opportunity for young people with learning disability or autism who, on leaving school, were in danger of falling through the gap. In some cases, these young people were faced with moving into inappropriate settings many miles from their family homes and familiar neighbourhoods. Under *No Limits* each student has a bespoke programme of learning which is delivered in local and familiar surroundings with a focus on the transition to a healthy and fulfilling adult life.

Alexandra Centre in Camden was commissioned in 2014 by the London Borough of Camden and further education programmes of learning were delivered by MacIntyre and Westminster Kingsway College. In September 2017, and following a merger between Westminster Kingsway and Islington College, the decision was taken to fully integrate the Centre with the newly merged college and accordingly MacIntyre was no longer required as a partner provider. We were of course disappointed not to continue our involvement but we are proud of the role that we played in the design of the Centre and the development of an aspirational curriculum and creative model of delivery. We wish the 40 students at Alexandra Centre, their families, the workforce and all partner agencies well.

### CHIEF EXECUTIVE'S REPORT

The numbers of students enrolling with *No Limits* across our remaining 10 partnerships has grown this year to 155 students (120 students in the previous year). During the year a number of students have completed formal qualifications including GCSE's and NVQ's level 2 in Music Production and Catering. A number have moved on to mainstream college courses, independently or with a considerable reduction in the level of support required. Work placements have been taken up by students with Royal Voluntary Service, Currys PC World and RAW Workshop and some students, with help from social media and on line platforms, have used their interest and talents to develop micro-enterprises.

We have extended our *No Limits* ideology and delivery model in support of school age children who have disengaged from school, have been excluded or are in danger of being excluded from mainstream education. SEND students are six times more likely to be excluded from school and it is our intention to work with local schools delivering bespoke education programmes to children, enabling them to return to the classroom or to prevent exclusions. During the year under review we have developed 13 school partnerships and we currently support 35 children.

#### Adult social care

There has been a £7bn reduction in social care funding since 2010. This is huge particularly when viewed against an ongoing need for more rather than less social care provision. The stability of the sector has been the focus of much debate. Demand continues to rise while costs associated with the delivery of care increase exponentially year on year. There have been two pressing issues that have heightened still further the potential for market failure during the year under review. One relates to the poor pay in the sector and the other to workforce recruitment challenges.

Background work undertaken in connection with assessing the sleep-in issue put a spotlight on the poor rates of pay across the social care sector. The sector is acutely aware of how this low pay, alongside the predicted rise in demand for adult social care (resulting in 500,000 new roles estimated to be required by 2020) and other workforce demographics, will impact on the sector's ability to secure a committed workforce in sufficient numbers.

The Court of Appeal found in July 2018 in the case of *Royal Mencap Society v Tomlinson-Blake* that the National Minimum Wage does not apply to sleep-in shifts unless the worker is awake for the purpose of working. There are still a number of issues resulting from this judgement to be resolved with HMRC and across the sector and that impact MacIntyre. We continue to be an active member of the Sleep-in Alliance pressing the government to clarify their guidance.

We are active voices in organisations including the Voluntary Organisation Disability Group (VODG), Learning Disability England (LDE), Learning Disability Voices (LDV), Association for Real Change (ARC) and Skills for Care (SFC), speaking up on the critical issues of quality, funding and the wider workforce. We will maintain a momentum with our funders to develop creative contract responses and embed further our charitable value within local communities.

Within the context of this challenging economic environment we continue to be optimistic, drawing on our history and heritage to design and deliver high quality and innovative care and support. We work with some 70 councils in England and Wales and we recognise the need to constantly challenge ourselves to "do things differently". Working in collaboration as a concept sits comfortably with us. We continue to work in partnership with communities, businesses, housing providers and more niche organisations, such as Community Catalysts, KeyRing and Shared Lives Plus, to develop rich and nurturing environments for disabled people.

We have entered into new partnerships this year including with RESPOND who are helping us to be more informed and skilled to support children and adults with a learning disability and their families, who have experienced trauma at some stage in their lives. We anticipate that such an approach will be particularly helpful and supportive for those people moving away from Assessment and Treatment Units (ATUs).

### CHIEF EXECUTIVE'S REPORT

During the year 113 people have joined us, moving into properties, with support, in Hampshire, Shropshire, Warrington, and Kent. We also welcomed further people into the organisation through contract transfers in Warrington, Hampshire, Essex, Shropshire and Bedfordshire. In November 2017, and after many years of negotiations with the local council, 10 people moved successfully from a campus environment in Tiptree Essex to their own homes.

We are supporters and champions for *Shared Lives* arrangements, as we have seen first-hand from those involved in our agency in Warrington the positive impact that such arrangements have on the quality of a person's life and sense of wellbeing. We currently oversee 38 placements via our agency in Warrington and have developed two new agencies this year, one in Bedfordshire, where we oversee 11 placements and one in Essex, where we oversee 52 placements.

We are working in partnership with the Transforming Care Taskforce for the second consecutive year to explore sustainable long term community-based solutions for people who remain in ATUs. As an active member of the Taskforce we have been commissioned, in partnership with London based members, to undertake assessments of people still in hospital and to suggest sustainable long term housing and support solutions.

During the year we have presented case studies at NHSE national provider conferences, in partnership with *Avenues and Certitude* and assisted the Institute for Public Care (IPC) to identify good examples of commissioning from a provider perspective. This has been presented to a number of Transforming Care Partnerships and a good practise guide has been produced.

However, real and effective collaboration between parties on a national level is painfully slow with limited engagement with third sector providers. It is for this reason that we have invested time and resource to work directly with councils and Clinical Commissioning Groups in designing local models of support for people to move from ATUs to community based models of support. We look forward to strengthening our existing partnerships with councils in Warrington, the Wirral and Shropshire and to working more closely with Birmingham as one of their preferred providers.

#### **Learning disabilities mortality review (LeDeR)**

We, in common with the broader care sector, were shaken by the results of the LeDeR report, published shortly after our financial year end in May 2018. In particular, we were concerned by the shocking statistics surrounding mortality rates for people with learning disabilities and the reported poor practice surrounding a number of deaths. Further concerns were expressed about how the programme, led by the University of Bristol, was resourced, with less than 10% of the 1,311 deaths reported to the LeDeR teams being reviewed.

We have reflected on the recommendations of the report at our Board and continue to invest resources and time in improving health outcomes for those whom we support in MacIntyre. Effective and timely health screening is key and we will actively assess screening take up through the NHS Innovation Agency's Anticipatory Care Calendar (Health Calendar). This Health Calendar is a simple tool to improve the daily monitoring and recording of health and the changing health needs of those being monitored. It overcomes some of the barriers that can prevent people accessing health services effectively. The Health Calendar and associated training was implemented in some key areas last year and we are now introducing it across the rest of MacIntyre. Sarah Ormston, our Health Advisor, has advised more than 850 MacIntyre staff through the Health Recording sessions that she has run nationally.

#### **Our workforce**

Despite the workforce challenges that we and other providers face, the core Human Resource statistics that we monitor and action remain consistent and indeed exceed sector averages in all of our priority areas. We were delighted, following a strategic review by *Investors in People*, to have retained our *Gold* status. Our staff engagement survey, *Your Views Matter*, was completed in 2017 by 41% of the workforce. Over three quarters of our employees continue to feel proud about working for MacIntyre, feel engaged and pursue excellence. Agenda Consulting, who hosted our survey, having

## CHIEF EXECUTIVE'S REPORT

benchmarked our results with others, concluded pleasingly that *MacIntyre is largely performing at the benchmark upper quartile.*

Our ability to give annual salary uplifts and retain healthy pay grade differentials remains a constant challenge, as the majority of councils who commission our services are still looking to make year on year savings. At the same time the National Minimum Wage (NMW) continues to rise. Our financial performance in the year enabled us to provide a number of key salary increases in the year. Our priority has been to increase the salaries of our lowest paid workers and we were able to uplift all starting salaries to above the NMW, award a 2% uplift to all other front line workers, increase the sleep-in rate and award a one-off payment to senior support workers. It remains a priority for us to continue to invest in our front line delivery staff and provide pay increases wherever we can afford to do so.

The health and wellbeing of our employees is an important HR priority for us and we aim to provide our employees with an environment and opportunities that encourage and enable them to lead healthy lives. A number of formal initiatives are in place to this end with Lifeworks providing our Employee Assistance Programme, Medigold delivering our Occupational Health service and Corpore providing an independent rehabilitation service. Our focus in MacIntyre Care during this last year has been on the mental health of our workforce and to this end we have signed up to both the *Mindful Employer Charter* and the *Time to Change* organisation pledge. We have commissioned external training from Mindful Employer and MIND and adopted a simple model of supporting staff wellbeing known as the 5 ways to wellbeing, an approach that is being monitored and reviewed as part of our supervision and appraisal framework.

In November 2017 we implemented *My Rewards*, an online platform that allows us to recognise, reward and thank staff for their contribution, dedication and commitment to the organisation and the people we support. To date we have awarded 2,260 rewards to our MacIntyre Care staff.

It has always been important to us to provide excellent learning and development opportunities for our workforce and we are proud of the reputation that we have secured in this area. Despite the difficult economic conditions, we have retained our investment levels in learning and development (3% of turnover) and invested charitable funds to achieve a step-up of knowledge and skills in some key practise areas.

During the year our key learning and development achievements have included 15 corporate inductions and 218 care workers working towards Level 2 or 3 qualifications, including HSC Diplomas, medication and mentoring training. We continue to focus on the development of excellence in leadership and we have developed a *MacIntyre leadership charter*, with a programme of training and support being delivered to all front line (130 managers) and area managers (20 managers). In addition, 46 staff have enrolled in an external leadership programme, for example the Level 5 Certificate in Leadership and Management.

Retaining the education and learning integrity of our *No Limits* offer is important to us. To this end we have developed and are now delivering the Level 5 Education and Training Standard (EaTs) as part of talent progression in *No Limits* and 31 *No Limits* staff completed the Level 3 Education and Training Standard (EaTs) and eight staff are working towards completing this programme.

We have seen a 25% increase in those using our learning management system and this is in part due to the development of over 33 new e-Learning modules, most of which are health-related. We intend to build on this increased engagement and are in the process of building an intranet for use by MacIntyre staff.

Our annual celebration of employee achievement, the Marjorie Newton Wright Awards (the wife of our founder) had an added poignancy this year. Marjorie sadly died in January 2018, coincidentally on her 95th Birthday. We were delighted to have been joined at the annual awards ceremony shortly after our financial year end, in April 2018, by several members of the Newton Wright family spanning multiple generations. Over 200 people attended the event, many who had been nominated by colleagues for an award. Awards were given to both employees and to volunteers. All the senior management were



## CHIEF EXECUTIVE'S REPORT

represented at the awards and the Trustees were represented as well. The crucial involvement of our founders and the great work of all our staff, past and present, was highlighted by our chairman, John Berriman in his speech at the award celebration.

### Quality

We challenge ourselves to be the best and pride ourselves on our reputation as being an organisation that leads the way in practise and workforce development. Our success is in the main dependent on our commitment to ensuring that the *MacIntyre Way* (our DNA) is universally adopted and embedded in everyone's behaviour, irrespective of which part of the organisation they work. Over the year we have maintained a focus on our DNA by embedding facilitation skills training in all our learning programmes. We have also reviewed the person centred planning process to ensure that there is an adequate and meaningful focus on aspirational outcomes for each person.

Our next step is to build still further on our core facilitation skills, ensuring that these skills can be applied to support the communication with people with profound and complex disabilities. We have adopted the Intensive Interaction approach developed by our colleague Dave Hewitt at Wingrave School and have a growing number of Intensive Interaction practitioners across the organisation. Our plan is to increase the number of practitioners further and to adopt the approach more widely.

External links and the ability to influence sector practise is important to us. We have been particularly active with National Institute for Care and Health Excellence (NICE) during the course of the year, serving as a Guideline Committee Member and contributing to the development of both the *Care and Support of People Growing Older with Learning Disabilities guidance* (published in April 2018) and the *guidelines on Learning disability and Behaviour that Challenges* (published in March 2018). This was the first time that NICE, working with Social Care Institute for Excellence (SCIE), consulted with people with a learning disability and we were pleased that we secured NICE representation for our internal launch of both sets of guidance. Emma Killick, Director of Operations is currently part of the way through her three-year term as an Expert Adviser for the NICE Centre for Guidelines. She is also a member of the Quality Standards Advisory Committee.

We continue to be an active member of Learning Disability England and of the Supported Loving network. A charismatic lady whom we support, Sui-Ling Tang, is a strong advocate for this work. Sui-Ling also participated in research for the Tizard Foundation, focused on promoting the voice of people with learning disabilities and their right to relationships.

The achievements of a number of people connected with MacIntyre have been recognised during the year. We do not set out to win awards but naturally we are all incredibly excited and honoured when they are given for our work. Most notably Oliver Thomason, Jonathon Southwood, Adam Portwood, Andrea Ravenscroft and Becky Foster from Warrington, who completed their *Gold Duke of Edinburgh's* award, went to Buckingham Palace in November 2017 to collect their medals, a day they will never forget. Will Black and Jess Brookes, both MacIntyre Front Line leaders, were winners at the Regional Care Awards. The Dementia Project Team and the Haddons staff team (from Milton Keynes) were winners at the National Learning Disabilities and Autism Awards. We secured one Award and one Shortlist at the 2018 Restriction Reduction Network Awards.

### Growth

Our positive financial position this year has been achieved through efficient and effective commercial management of our income and costs and through a specific focus on growth. Through tender activity and existing commissioner relationships MacIntyre Care has secured additional income of £4m in the year. This more than compensated for the annual income of £2.3m lost as a result of contracts coming to an end or due to the transformation of historical service modelling. The net growth is important to us not only to enable us to maintain a strong commercial base but also to increase the number of people with whom we connect.

### CHIEF EXECUTIVE'S REPORT

We were successful on every framework contract that we applied for in the year for overseeing learning disabilities, autism and Transforming Care services. Pleasingly these applications include new geographic areas for us, including Greater Manchester, Coventry, Solihull, Warwickshire and Luton.

#### Compliance

We were delighted that virtually every (98%) MacIntyre location inspected by CQC in the year was rated by them as either *Good* or *Outstanding*. Our sole location inspected under Care Inspectorate for Wales was *compliant* and all Ofsted inspections have resulted in a *Good* rating. We continue to be one of just a few organisations awarded Health and Safety BSi Accreditation for the Health and Safety Management system, BS OHSAS 18001 and we retained this accreditation for the 13th year following our annual inspection.

#### Charitable funds

We invest our charitable funds in ways that supports our strategy, adds real value and we believe sets us apart as an innovative and quality charity. We were extremely grateful to be the beneficiary (in recent years) of a significant legacy from the mother of a lady who MacIntyre had supported for most of her life. Sadly she died this year having lived with dementia for many years. In keeping with her and her mother's wishes, she stayed in her home until her death, supported by her family, friends and her familiar MacIntyre staff team. It is truly fitting that we continue to invest part of this legacy in the Dementia project, building on the momentum created by the Department of Health Innovation grant funding we have received.

The dementia project team has grown this year to include the paid employment of two project assistants, both of whom have a learning disability. The team has built professional partnerships with other organisations such as Alzheimer's Society and they continue to speak at national conferences and facilitate internal and external workshops and training. Diagnostic tools, practice guidance and e-Learning modules have enabled us to achieve a real shift in the level of our workforce knowledge and skill and have helped us to secure a leading profile in this area.

We have continued to invest in a further two projects: Positive Behaviour Support (PBS) and Great Communities activity, building on the knowledge and practise of previous years. Our investment in the secondment of two lead PBS coaches and in the employment of a dedicated PBS Expert by Experience this year has been instrumental in the deepening of our expertise in the area of PBS. In MacIntyre Care we have seen a 44% reduction this year in Health and Safety Executive defined RIDDOR reportable incidents, further reductions in the use of physical intervention and a 10% fall in injuries to staff. Belinda Bradley, our PBS lead, continues to oversee this work and ensures that we have strong links with external clinicians and that we monitor and evidence outcomes and deploy resource where needed.

In April 2018 over 150 people and businesses joined us in Warrington for the launch of our *Great Communities* project. This launch builds on the mapping work undertaken previously. Our intention is to facilitate the coming together of people, groups, organisations and businesses in order for them to develop accepting and vibrant neighbourhoods, where people with learning disabilities can make valued contributions through work and socialising. While it is beneficial to enrich local environments and raise awareness for people we currently support, we are specifically targeting the engagement of people who are at risk of loneliness and ill health due to a reduction in the eligibility to funding. We are grateful to the The Zochonis Charitable Trust who donated £10,000 to support the establishment of *Great Communities* in Warrington.

## CHIEF EXECUTIVE'S REPORT

### Marketing and Fundraising

We have a small marketing and fundraising team who make a wealth of difference to MacIntyre in raising our profile. They enable our connectivity with increasing numbers of people, secure funds for added value projects and support our work through grant-funding applications. The team commissioned and implemented the development of a new website during the year and early indications are that we are seeing a significant increase in engagement with the organisation through the new site.

We are grateful for the continued support of a number of local and national organisations including Puratos, Willmott Dixon, Energie Fitness and MK Thunder. In 2017/18 we were delighted to be the nominated *Charity of the Year* for the Milton Keynes Chamber of Commerce. This provided us with an excellent opportunity to raise awareness and funds for our Milton Keynes services.

The 30th MacIntyre Golf Day raised a record sum of just over £43k. We are grateful to the volunteer Golf Committee, all sponsors, all teams and Woburn Golf Club for their fabulous and uninterrupted support over so many years. We thank everyone who made donations or undertook a challenge for MacIntyre in the past year, including marathon runners, bucket collections, fashion show and fetes.

The group had a number of successful new grant applications in the year including the Sobell Foundation, supporting Discovery Academy in Nuneaton with a £30k three year grant to purchase sensory and outdoor play equipment. The Big Lottery donated £10k to the Warrington Prints Charming print shop, Milton Keynes Community Foundation continued to support our Milton Keynes based projects, making a grant of £1k for our Drama group to stage *Joseph and the Amazing Technicolour Dreamcoat* at Marshalls Theatre (who kindly gifted their space) and the Oliver Ford Foundation donated £3k towards new equipment for Swanwick Lifelong Learning Centre in Derbyshire. We are very grateful to all those who provided funds to support us.

### The future

There is no doubt that the current political, social and economic climate is influencing commissioning practise and shaping both the education and social care markets. It is important at this critical time and as we leave the European Union that we continue to champion the rights of disabled people and that we retain our high quality standards.

We are clear of the value of listening to disabled people and their families when designing delivery models of education and care. In recent years have seen the benefit of working in collaboration with others. During the year we have demonstrated an ability to grow new services and to evolve existing models, both of which are characterised by bold professional relationships, a creative and effective local infrastructure and by the leverage of business and community resources.

Our continued success is in part due to our strong heritage and the ease in which we create alternative and innovative solutions. This would not be possible without listening to the voices of the people we support and their families, the governance oversight of our Trustees, the talent and unrelenting commitment of our workforce and collaborators and without the support of the many people who connect locally with MacIntyre on a daily basis. I would like to take this opportunity to thank each and every one.

**Sarah Burslem**  
Chief Executive

## TRUSTEES REPORT

### Governing Document

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

### Statement of Trustees' Responsibilities – Charitable Company

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

### Corporate Governance

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

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

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

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

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

The Charity Commission Charity Governance Code was revised during the year. The Code emphasises that it is important that Trustees discuss the Code's principles and recommended practice and make well-considered decisions about how these should be applied.

## TRUSTEES REPORT

There are seven principles of the Code and these relate to organisational purpose, leadership, integrity, decision-making, risk and control, board effectiveness, diversity and openness and accountability. The Board discussed the Code and concluded that it is satisfied that MacIntyre Care is applying all the seven principles in the way it is governed and that it meets the desired outcomes in respect of each of the seven principles of the Code. The results of this governance review have been fully considered and either actioned or integrated into future governance plans.

### Public Benefit

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

### Charities and Public Benefit

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

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

MacIntyre's Memorandum of Association states:

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

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

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

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

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

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

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

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

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

## TRUSTEES REPORT

### Risk Management

The Trustees regularly consider the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the use of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure they still meet the needs of the charity. The Trustees meet bi-monthly with management when inter-alia they monitor financial and operational performance and risk and annually management and Trustees review and assess corporate strategy.

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

### Statement of Disclosure to Auditor

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

### Related Party Transactions

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

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

### Key Management Personnel and Remuneration Policy

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

The nomination committee of the Board leads the process for Board appointments. The Chairman formally appraises the performance of the Chief Executive annually and makes recommendations on her performance and remuneration. The Chief Executive makes recommendations on the performance and remuneration of her director team. The remuneration and wellbeing Committee of the Board review all recommendations on the remuneration of the charity's staff, including key management personnel.

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

We reported in our accounts last year that we would need to take account of the potential additional cost to the charity that might arise as a result of compliance with HM revenue & Customs guidance on meeting minimum wage rates of pay for 'sleep-in' payments. Since the year end the Court of Appeal found in July 2018 in the case of Royal Mencap Society v Tomlinson-Blake that the National Minimum Wage does not apply to sleep-in shifts unless the worker is awake for the purpose of working. We recognise that this judgement may be the subject of further appeal, but as things stand currently our sleep-in payments, past and present, have been made in full compliance with the law and as such we have no actual or contingent liability to fund for historical sleep-in payments.

## TRUSTEES REPORT

### Investment Policy

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

### Reserves Policy

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

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

The Trustees have considered the risk to the organisation and consider that free reserves not invested in fixed assets would only be required to cover non direct service costs in the very unlikely event that MacIntyre did not have any continuing service contracts covering these costs. Therefore, a target of £1.5m would allow for between 3 and 6 months cover of all non-service costs to continue the business of the organisation.

MacIntyre level of free reserves at 31 March 2018 not invested in fixed assets is £2.3m. This is currently above the minimum target level.

### Approved on behalf of the Board:

**John Berriman**  
Trustee

**Claire Toombs**  
Company Secretary

**Date: 21 December 2018**

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

### Opinion

We have audited the financial statements of Macintyre Care for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities including Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and 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 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

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

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

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

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

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

- error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 31.12.2018

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>INCOME AND EXPENDITURE</b>					
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2(a)	113	179	292	2,502
Charitable activities:	2				
Adult Support Services		36,439	-	36,439	33,828
Children and Young People Services		10,529	-	10,529	11,511
MacIntyre Academies		-	6,444	6,444	4,664
Investments		10	-	10	5
<b>TOTAL INCOMING RESOURCES</b>		<b>47,091</b>	<b>6,623</b>	<b>53,714</b>	<b>52,510</b>
<b>EXPENDITURE</b>					
Raising Funds	3(c)	63	-	63	49
Charitable activities:					
Adult Support Services		36,017	98	36,115	33,446
Children and Young People Services		10,666	3	10,669	11,638
MacIntyre Academies		-	6,063	6,063	5,914
<b>TOTAL EXPENDITURE</b>	3(c)	<b>46,746</b>	<b>6,164</b>	<b>52,910</b>	<b>51,047</b>
<b>NET INCOME (EXPENDITURE) FOR THE YEAR</b>		<b>345</b>	<b>459</b>	<b>804</b>	<b>1,463</b>
<b>Other recognised gains and losses</b>					
<b>Actuarial (losses)/gains on Defined Benefit pension schemes</b>		-	(543)	(543)	-
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>21,707</b>	<b>8,612</b>	<b>30,319</b>	<b>28,856</b>
<b>Transfer between funds</b>		<b>22,052</b>	<b>8,528</b>	<b>30,580</b>	<b>30,319</b>
		<b>(781)</b>	<b>781</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	12	<b>21,271</b>	<b>9,309</b>	<b>30,580</b>	<b>30,319</b>

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

## CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDING 31 MARCH 2018

	Notes	Group		Charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>					
Tangible Assets	7	21,630	21,919	13,867	14,033
<b>NET CURRENT ASSETS</b>					
Property held for resale	8	200	420	200	420
Stocks	8	6	3	6	3
Debtors	9	5,456	6,469	5,181	5,914
Cash at bank and in hand	15	7,986	5,682	6,431	4,923
		13,648	12,574	11,818	11,260
<b>CREDITORS:</b>					
Within one year	10	(3,918)	(3,937)	(3,670)	(3,701)
		9,730	8,637	8,200	7,564
<b>NET CURRENT ASSETS</b>					
		9,730	8,637	8,200	7,564
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		31,360	30,556	22,015	21,592
Defined benefit pension scheme liability	13	(780)	(237)	-	-
		30,580	30,319	22,015	21,592
Restricted Funds	11	587	509	587	509
Fixed asset restricted fund	12	7,762	7,886	-	-
Pension reserve		780	237	-	-
Unrestricted funds:					
General Reserve	11	2,357	2,356	2,514	1,752
Designated funds	11	18,914	19,331	18,914	19,331
<b>TOTAL FUNDS</b>		<b>30,580</b>	<b>30,319</b>	<b>22,015</b>	<b>21,592</b>

Approved on behalf of the board:

John Berriman  
Trustee  
21 December 2018

Company No. 00894054

**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

<b>Statement of Cash Flows</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Cash flows from operating activities	2,764	1,598
Cash flows from investing activities	(460)	(320)
Cash flows from financing activities	-	-
Change in cash and cash equivalents	<u>2,304</u>	<u>1,278</u>
Cash and cash equivalents at 1 April 2017	5,682	4,474
Cash and cash equivalents at 31 March 2018	<u>7,986</u>	<u>5,682</u>
<b>Reconciliation of net income/(expenditure) to net cash inflow from operating activities</b>		
Net incoming/(outgoing) resources	804	1,463
Adjusted for:		
Investment Income	(10)	(5)
Depreciation of tangible fixed assets	759	751
Decrease in investment properties	220	-
(Increase)/Decrease in debtors	1,013	-
(Decrease) in creditors	(19)	-
Increase in long-term creditor	-	-
(Increase) in stock	(3)	1
<b>Net cash provided by/(used in) operating activities</b>	<u>2,764</u>	<u>1,598</u>
<b>Cash flow from financing activities</b>		
Repayment of borrowing	-	-
Cash inflows/(outflows) from advance fee contracts	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by/(used in) financing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Interest received	10	5
Proceeds from sale of property	-	-
Purchase of tangible fixed assets	(470)	(325)
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(460)</u>	<u>(320)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	<u>7,986</u>	<u>5,682</u>

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

### 1. ACCOUNTING POLICIES

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

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

#### **Basis of consolidation**

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and MacIntyre Academies. The results of the MacIntyre Academies are consolidated on a line by line basis. The comparative figures for 2017 have been restated to reflect the consolidation.

#### **Going concern**

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

#### **Freehold land and buildings**

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

#### **Income**

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

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

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

#### **Resources expended**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

and the amount of the obligation can be measured reliably. Charitable activities include expenditure associated with running the registered care and nursing homes.

Where costs relate directly to a particular activity they are allocated to that activity. Central support costs are allocated to activities based on a percentage of income. In 2018:

77% of costs were allocated to Adult Support Services (2017: 76%) and  
23% of costs were allocated to Children and Young People Services (2017: 24%).

### Fixed Assets

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

### Fund Accounting

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

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

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

### Depreciation

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

Freehold land and buildings	-	2% per annum
Long term Leasehold	-	period of the lease or 2% per annum if lease longer than 50 years
Short term Leasehold	-	period of the lease
Equipment and furnishings	-	15% - 33% per annum

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

### Property held for resale

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

### Stocks

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

### Leasing and hire purchase contracts

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

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

### Pensions

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

### Critical accounting estimates and areas of judgement

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

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

### Financial Instruments

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

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

## 2. INCOMING RESOURCES

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

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

### 2.1. NET INCOMING RESOURCES

#### (a) Donations and Legacies

MacIntyre thanks all donors who have contributed to the work and the organisation during the year. The income from donations and legacies was £292k (2017: £2,682k) of which £113k was unrestricted (2017: £2,353k) and £179k was restricted funds (2017: £329k).



## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

## 2.1. NET INCOMING RESOURCES (CONTINUED)

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

	Charity	
	2018 £'000	2017 £'000
Department of Health – Dementia Project*	146	137
Big Lottery	10	-
Department for Work and Pensions – Access to Work	8	7
John Lyons Charity – Alexandra Centre for Further Education	-	50
Reps on Board	56	45
Skills for Care – Workforce Development Fund	14	14
Warrington Community Café	4	13
Total Grants Received	<u>238</u>	<u>267</u>

\*Department of Health grant 2017/2018 grant funds were received of £146,990. Total expenditure on this project during the year was £156,841.

## 3. CHARITABLE ACTIVITY EXPENDITURE

	Direct Costs	Restricted Project	Designated Expenditure	Support & Other	2018 Total	2017 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Support Services	32,136	98	-	3,881	36,115	33,446
Children & Young People Services	9,507	3	-	1,159	10,669	11,638
Fundraising Costs	63	-	-	-	63	49
MacIntyre Academies	-	6,063	-	-	6,063	5,914
	<u>41,706</u>	<u>6,164</u>	<u>-</u>	<u>5,040</u>	<u>52,910</u>	<u>51,047</u>

## 3. (b) Analysis of Support Costs

	Adult Services	Children and Young People Services	2018 Total	2017 Total
	£'000	£'000	£'000	£'000
<b>Support Costs:</b>				
Training	482	144	626	661
IT	202	60	262	263
Standards & Excellence	276	78	354	339
Management & Administration	1,773	530	2,303	2,261
Finance & HR	1,151	344	1,495	1,542
	<u>3,884</u>	<u>1,156</u>	<u>5,040</u>	<u>5,066</u>

NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

3. (c) Surplus is stated after charging

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Depreciation	759	751	656	605
Operating Leases				
- Equipment & Vehicles	465	321	422	248
- Buildings	365	357	365	357
Audit fees	62	64	30	30

4. EMPLOYEES

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

	Group		Charity	
	2018 No.	2017 No.	2018 No.	2017 No.
Adult Support Services	1,518	1,594	1,518	1,594
Children and Young People Services	374	356	374	356
MacIntyre Academies	152	132	-	-
Management and Administration	154	109	154	109
	<u>2,198</u>	<u>2,191</u>	<u>2,046</u>	<u>2,059</u>

Staff costs during the year amounted to:	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Wages and Salaries	35,472	34,231	32,189	30,575
Social Security Costs	2,568	2,450	2,333	2,166
Other Pension Costs	973	1,186	493	515
	<u>39,013</u>	<u>37,867</u>	<u>35,015</u>	<u>33,256</u>
Agency Staff Costs	<u>3,288</u>	<u>2,979</u>	<u>2,851</u>	<u>2,634</u>
	<u>42,301</u>	<u>40,846</u>	<u>37,866</u>	<u>35,315</u>

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

MacIntyre Care and MacIntyre Academies are recognised as employers within the Teachers' Pension Scheme. The total pension costs of the Charity are disclosed above.

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

**Redundancy Restructuring Costs**

During the year the company paid redundancy restructuring costs to staff amounting to £19,095 (2017: £65,308).

**Employee emoluments:**

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

	Group		Charity	
	2018 No.	2017 No.	2018 No.	2017 No.
£100,001 - £110,000	1	1	1	1
£80,001 - £90,000	5	4	2	2
£70,001 - £80,000	4	4	3	3
£60,001 - £70,000	1	5	1	4

The total employer's pension contributions for the above higher paid employees during the financial year, was £36,520 (2017: £31,325).

**Key management personnel**

Key management personnel include the senior management team of the organisation comprising of the Chief Executive, Finance Director, Workforce Director, Operations Directors and Business Development Director. The total emoluments and employee benefits of this group were £437,000 (2017: £492,325).

**5. TRUSTEES' EMOLUMENTS**

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

**6. TAXATION**

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

**7. TANGIBLE ASSETS**

	Freehold Land and Buildings	Long Term Leasehold Property	Short Term Leasehold Property	Equipment and Furnishings	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2017	17,143	8,530	671	5,341	31,685
Additions	241	17	-	212	470
At 31 March 2018	<u>17,384</u>	<u>8,547</u>	<u>671</u>	<u>5,553</u>	<u>32,155</u>
Depreciation:					
At 1 April 2017	3,726	823	670	4,547	9,766
Charge for the year	346	75	1	337	759
At 31 March 2018	<u>4,072</u>	<u>898</u>	<u>671</u>	<u>4,884</u>	<u>10,525</u>
Net Book value:					
At 31 March 2018	<u>13,312</u>	<u>7,649</u>	<u>-</u>	<u>669</u>	<u>21,630</u>
At 1 April 2017	<u>13,417</u>	<u>7,707</u>	<u>1</u>	<u>794</u>	<u>21,919</u>

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

The net book value of the assets of MacIntyre Academies included in the table above are made up as follows:

	Long Term Leasehold Property £'000	Equipment and Furnishings £'000	Total
Net Book value as at 1 April 2017	7,697	189	7,886
Additions in the year	17	10	27
Depreciation charged in year	73	77	150
Net Book value as at 31 March 2018	7,641	122	7,763

#### 8. PROPERTY HELD FOR RESALE AND STOCKS

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Property held for resale	200	420	200	420
Stock	6	3	6	3

#### 9. DEBTORS

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Debtors	4,434	5,707	4,343	5,337
VAT Recoverable	79	133	-	-
Other Debtors	62	103	25	51
Prepayments	637	433	569	433
Accrued Income	244	93	244	93
	5,456	6,469	5,181	5,914

A bad debt provision of £55,637 (2017 £154,722) is included within trade debtors above.

#### 10. CREDITORS: amounts falling due within one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Creditors	700	745	556	619
Other Taxes and Social Security	606	574	551	491
Fees In Advance – Deferred Income	1,775	1,813	1,775	1,813
Other Creditors	195	259	195	232
Accruals	642	546	593	546
	3,918	3,937	3,670	3,701

**NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018**

**11. RECONCILIATION OF MOVEMENT ON RESERVES**

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

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

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

	<b>General Funds</b>	<b>Unrestricted Designated Funds</b>	<b>Fixed asset Fund</b>	<b>Restricted Funds</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
At 31 March 2017	2,356	19,331	7,886	746	30,319
Net Incoming Resources	(1)	(417)	(124)	712	171
At 31 March 2018	<u>2,357</u>	<u>18,914</u>	<u>7,762</u>	<u>1,458</u>	<u>30,490</u>

**Purposes of Restricted Funds**

Restricted funds balance includes the restricted pension fund provision relating to MacIntyre Academies. This balance, included in restricted funds above, is £871k at 31 March 2018 (2017: £237k).

The balance of restricted funds balance of £587k (2017: £509k) is comprised of grants and donations received for the benefit of a specific MacIntyre Care service or group of service users. Funds are held for a number of services and local managers, staff and service users are encouraged to decide the best ways to use these funds to enhance their services.

**Purpose of Designated Funds**

The designated funds balance includes £13.3m (2017: £13.4m) of freehold property used by the charity for the provision of services.

The trustees have agreed a policy on the use of non-specific donated funds: they will be designated for charitable benefits, over and above the core running costs of the charity. Over the next 3 years this will include:

£1.1m investment in practise development including the continuation of the Dementia and Health team work, the ongoing development of our Positive Behaviour Support work and development of an autism strategy and implementation plan.

£500k in developing new ways of working including the roll out of our Great Communities project and the employment of a self-advocate to lead on our co-production work. Lastly we will extend our offer to families through the recruitment of family liaison workers who will provide specialised advice and support.

Further funds will be made available to review our use of technology and to develop a comprehensive digital and technology implementation plan.

**NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018**

**12. PENSIONS**

- a. The charity operates a defined contribution pension scheme for employees. The total pension cost for the charitable company during the year was £693,164 (2017 £611,766).

The charity contributed £36,520 (2017: £28,799) to a money purchase pension plan in respect of the employees whose emoluments were in excess of £60,000.

- b. The charity and MacIntyre Academies participate in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. Under the definitions set out in FRS102, the TPS is a multi-employer scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity sets out below the information available on the scheme.
- c. Under the TPS Agreement, employer contribution rates from 1 April 2018 have increased to 16.48% with employee rates varying between 7.4% and 11.7%.
- d. The pension charge for the year includes contributions payable to the TPS of £68,924 (2017: £72,766). At the year-end £8,698 (2017: £10,487) was accrued in respect of contributions to this scheme.
- e. The employees MacIntyre Academies belong to two principal pension schemes - the teachers pension scheme for academic staff and the local government pension scheme (LGPS) for non-teaching staff which is managed by Oxfordshire County Council and Warwickshire County council. Both are multi-employer defined benefit schemes.
- f. The LGPS obligation relates to the employees of MacIntyre Academies, who were the employees transferred as part of the conversation from the maintained school and new employees who were eligible to, and did, join the Scheme in the year ended 2015. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the MacIntyre Academies at the balance sheet date.

The latest actuarial valuations relate to the date 31 August 2018.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made the year ended 31 August 2018 was £447k (2017: £401k), of which employer's contributions totalled £334k (2017: £306k) and employee's contributions totalled £113k (2017: £95k).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy closure, outstanding Local Government Pension Scheme Liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	<b>3.2%</b>	3.6%
Rate of increase for pensions in payment/inflation	<b>2.3%</b>	2.6%
Discount rate for scheme liabilities	<b>2.8%</b>	2.6%

The FRC Reporting Statement 'Retirement Benefits' recommends that disclosure should include a sensitivity analysis for the principal assumptions used to measure scheme liabilities, showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date.

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement are 65 are:

	At 31 August 2018	At 31 August 2017
Retiring today:		
Males	22.8	23.0
Females	25.0	25.1
Retiring in 20 years:		
Males	24.3	25.0
Females	26.7	27.3
Sensitivity analysis	£'000	£'000
Discount rate 0.5%	163	90
Long term salary +0.5%	1	4
Pension increase +0.5%	162	87

**Pension and Similar Obligations (continued)**

The MacIntyre academies' share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected Fair value At 31 August 2018	Fair value At 31 August 2017
	£'000	£'000
Equity instruments	951	645
Debt instruments	323	197
Property	162	78
Cash	30	29
<b>Total market value of assets</b>	<b>1,466</b>	<b>949</b>

**Changes in the fair value of defined benefit obligations were as follows:**

	2018	2017
	£'000	£'000
<b>At 1 September</b>	1,819	692
Current service cost	769	588
Interest cost	59	19
Employee contribution	113	95
Benefits paid	-	53
Actuarial loss/(gain)	(514)	372
<b>At 31 August</b>	<b>2,246</b>	<b>1,819</b>

**Changes in the fair value of MacIntyre Academy's share of scheme assets:**

	2018	2017
	£'000	£'000
<b>At 1 September</b>	949	455
Interest income	30	15
Employee contributions	113	95
Employer contributions	334	306
Benefits paid	-	53
Actuarial gain/(loss)	40	25
<b>At 31 August</b>	<b>1,466</b>	<b>949</b>

## NOTES TO FINANCIAL STATEMENT AS AT MARCH 2018

## 13. OPERATING LEASES

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

	2018		2017	
	Land & Buildings	Other	Land & Buildings	Other
Operating Leases Expiring:	£'000	£'000	£'000	£'000
Within 1 Year	271	147	242	174
Within 2 to 5 Years	94	398	56	374
After more than 5 Years	-	-	102	-

## 14. MOVEMENTS IN CASH AND CASH EQUIVALENTS

	2018	Group Change in Year	2017	2018	Charity Change in Year	2017
	£'000	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	7,986	2,304	5,682	6,431	1,508	4,923
	<u>7,986</u>	<u>2,304</u>	<u>5,682</u>	<u>6,431</u>	<u>1,508</u>	<u>4,923</u>

## 15. RELATED PARTY TRANSACTIONS

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

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 March 2018 are represented by:

	Unrestricted		Restricted Funds	Total Funds
	General Funds	Designated Funds		
	£'000	£'000	£'000	£'000
Tangible Assets	-	13,868	7,762	21,630
Net Current Assets	2,357	5,046	2,327	9,730
Long Term Liabilities	-	-	(870)	(870)
Total Net Assets	<u>2,357</u>	<u>18,914</u>	<u>9,219</u>	<u>30,490</u>

## 17. CAPITAL COMMITMENTS

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