THE ASSOCIATION FOR REAL CHANGE
(A Company limited by guarantee)

TRUSTEES REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

THE ASSOCIATION FOR REAL CHANGE

TRUSTEES REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

Contents **Page**

Chief Executive's Report	1
Trustees' Report	2-14
Independent Auditors' Report	15-16
Statement of Financial Activities	17
Balance sheet	18
Notes to the Financial Statements	19-27

THE ASSOCIATION FOR REAL CHANGE

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2014

The Association for Real Change (ARC) is a charity and a company limited by guarantee. It is generally known in the sector by its acronym ARC. It is registered with the Charity Commission and the Office of the Scottish Charity Regulator.

Registered office & headquarters:	ARC House Marsden Street Chesterfield S40 1JY
Telephone number:	01246 555043
Fax number:	01246 555045
Website:	www.arcuk.org.uk
Email:	info@arcuk.org.uk
Bankers:	Lloyds Bank Plc Church Street Sheffield
Auditors:	Barber Harrison & Platt 57-59 Saltergate Chesterfield S40 1UL
Insurance advisors:	Capita Specialist Insurance Services
Registered Company no:	01658354
Registered Charity no:	285575 (E&W)
Scottish Registered Charity no:	SCO 39129

THE ASSOCIATION FOR REAL CHANGE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2014

Wherever you live in the UK, adult social care is one of the biggest social policy issues we face at present – certainly this is true politically, strategically, financially – it is a big issue for decision makers, the great and the good.

For the people providing support though, and their families, it's a personal issue – it's still big, but it's also very personal.

If you work in the sector or use services delivered by the sector, you are going to be grappling with the impact of funding cuts, reduced support hours, not as much training, higher expectations but with less opportunity for good quality advocacy if those expectations are not met, battling for joined up healthcare, quality, fair housing and safer communities – and all this is happening in the context of wider changes (not all bad) to how services are planned, commissioned and delivered.

Working more closely with our members and providers over the last year has shown us there are no easy answers to driving up quality in this economic and social climate, but we need to think in a much more joined-up way about the foreseeable and snowballing challenges in years to come.

All of our work aims to support providers deal with the increasing pressures on the system – wherever you work in the UK – the rising demand for services, while locally public spending plateaus or falls, you can find evidence that local authorities and health bodies are refining their proficiency to control costs – often making efficiency savings by changing contractual agreements, paying lower fees – with the real risk that we see an impact on quality services going forward, putting pressure on providers financial sustainability, with our members already reporting problems meeting users' needs in sustainable, personalised ways.

In all our work across the UK, ARC has highlighted the challenges as the political, social and economic environment impacts radically on our members' work – and our annual report reflects the areas we have prioritised with members - be that driving up quality through our training and development support, developing our networks to bring people together to work better together, supporting people who support young people with learning disabilities on staying safe and with transition, working with people who support people with learning disabilities as they grow older, as well as raising issues that affect the sector and people within it at national levels in Scotland, England, Northern Ireland and Wales.

It's a time of change and transition for all of us – here at ARC, as well among our members - making it even more vital that ARC offers a clear distinct offer to members wherever they support people - connecting voices, sharing skills and experiences, and raising a cohesive provider voice.

Jacqueline Bell
ARC UK Chief Executive

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2014

Governing document

ARC was incorporated as a company limited by guarantee in 1982 and is governed in accordance with its Memorandum and Articles of Association and Standing Orders with a major revision to the M&A being adopted at a General meeting in September 2009 and then implemented at the 2009 AGM.

Principal aims and activities

The founding members who created the ARC wanted to give it as much freedom as possible through its overall charitable objectives to have a wide impact on the sector. Its two stated charitable objectives are to work for:

1. The education and training of all organisations, associations, individuals and / or groups of individuals concerned with the care of people with learning disabilities.

2. The study of and research into all matters affecting people with learning difficulties and to obtain and make records of and disseminate all useful results of such research.

The Memorandum of Association, our founding document sets out what we are here for and what we can do to meet our aims, including things such as:

- Have a membership of organisations and people who support our aims.
- Working with other groups with similar aims and talking to other providers, local and central government.
- Pressing for legislation to help further to our cause.
- And finally a wide clause allowing us to do "all such other lawful things as are incidental to the attainment of our charitable objectives".

In this report we explore our activities in terms of delivering public benefit through the implementation of our strategic plan and link those to our charitable objectives. We are subject to three regulators, Companies House, the Charity Commission of England and Wales and the Office of the Scottish Charity Regulator as we work across the UK in all the four nation countries, adapted to meet the different situations in each country. Our governance and strategic offer is designed to reflect each nation country, as part of the UK wide membership and as the needs and aspirations of people with learning disabilities do not change across national boundaries this report reflects all our work across the whole of the UK.

Measurement of success

Having completed its organisational review and strategic planning ARC published its strategic plan for the first time last year, and this year has worked on the key areas to ensure it is fit for its purpose of supporting members and providers to deliver the best quality service to improve the quality of life for people with Learning Disabilities.

Continuing dialogue with our members and stakeholders, through communication surveys, improved evaluation and building up better knowledge on our Customer Databases ARC has further developed its strategic aims across the UK, focusing on the specific needs of each nation country – setting out the significant changes that we want to see in each nation country as a result of our activities.

By articulating the outcomes we want to see through a set of outcome indicators ARC is clear that it intends to see these changes for:

- Providers
- Practices and policies
- Individuals and communities

We are always aware of the constant tension between our intended population outcome – to improve quality of life for people with learning disabilities – and our performance outcome – supporting our members and stakeholders to help them achieve the best outcomes for the people they support.

We have begun this by developing a bespoke Evaluation Framework Database, piloted in Scotland, now being tested and developing in NI and England, which measures our achievement against strategic outcomes through a cluster of outcome indicators.

We now measure the difference we will make by asking our members and stakeholders:

1. How much difference have we made?
2. And is anyone better off as a result?

We monitor our operational objectives by measuring:

- How much of something have we done?
- How often?
- How well?

Public benefit requirement

As a specialist infrastructure organisation ARC is clear about its role: we exist to support voluntary, community, social enterprise and independent sector provider organisations to achieve their aims to support people with learning disabilities to achieve the best outcomes and improve their wellbeing. We do this through a variety of ways and our activities demonstrate that there is a public benefit through an improvement in the quality of all kinds of services to support people with learning disabilities.

Strengthening infrastructure support for the learning disabilities sector is vital to ensuring that people with learning disabilities can achieve quality of life and the best outcomes.

This achieved by ARC doing such things as:

Working with provider organisation

- Helping develop Health & Social Care workforce by:
    - Providing good quality, inspiration training
    - Producing relevant, up to date materials aimed at improving training or practice
    - Offering tailor made consultancy with organisations to improve organisational learning and development

- Helping to share best practice and policy information distribution:
    - Distributing information on current policy and practice developments in the four nation countries
    - Producing briefing material on best practice
    - Circulating regular newsletters promoting the sector, its work and outcomes

Public benefit requirement – continued

- Ensuring the voice and influence of the sector is heard by local policy makers by
    - Responding to policy maker's consultations on what works and what doesn't work
    - Working with policy makers to connect and liaise with providers and service users through networks and forums
    - Sitting on various national Boards and policy making advice groups and forums including skills councils, government advisors groups and national networks

- Working with people with learning disabilities
    - Best practice and research projects involving people with learning disabilities
    - Developing advocacy skills and networks, including Scotland Charter for involvement and facilitating involvement of service users at Muckamore Hospital in the Belfast Trusts Telling It Like It Is Groups.

Who governs ARC?

The Board of ARC meets four times a year in addition to the AGM. In addition there is a finance sub-group, a quality sub-group and a HR sub-group which all meet twice a year.

The Board members of ARC acts as trustees and have the powers and obligations of company directors under the Companies Act 2006. The Chair, a trustee of the organisation was entitled to and received emoluments amounting to £4,500. The travelling expense amounted to £147. The other trustees were not entitled to or paid any remuneration but £1,511 was paid to trustees (or their organisations) for travelling expenses. ARC also purchased insurance to protect it from any loss which might arise from neglect or any default of its senior staff or trustees and to indemnify the trustees against the consequences of loss or default of its senior staff or trustees and to indemnify the trustees against the consequences of loss or default on their part. This insurance cost £751.

In the past year the Directors and Trustees who served on the Board of ARC were:

Tina Fahm	Chair ARC UK (resigned October 2013)
Kate Allen	The Kingwood Trust
Paul Ashton	Prospects – Chair ARC England (resigned March 2014)
Carol Barkwell	Lyndridge Community Care (resigned October 2013)
John Bartle	Nottingham Community Housing Association
Chris Bennett	Perthyn – Chair ARC Cymru
Gary Bye	Life Path Trust Ltd
Hilary Crowhurst	HFT (resigned October 2013)
Mahmud Hasan MBE	Apasenth (resigned October 2013)
Peter Jung	Turning Point Scotland – Chair ARC Scotland
Agnes Lunny OBE	Positive Futures – Chair ARC Northern Ireland
Deborah Tosler	Prospect Housing and Support Services
Brian Hutchinson	Real Life Options (appointed January 2013)
Gary Thompson	Autism Care UK Ltd (appointed October 2013)
Neil Matthewman	Community Integrated Care (appointed October 2013)

Principal officers and member organisations represented in the year

ARC UK Chair:	Tina Fahm (resigned October 2013)
Hon Treasurer:	Gary Bye, Life Path Trust Ltd
Chair ARC Cymru:	Chris Bennett, Perthyn
Chair ARC Scotland:	Peter Jung, Turning Point Scotland
Chair ARC Northern Ireland:	Agnes Lunny, Positive Futures

Membership of ARC

By becoming a member of ARC provider organisations benefit from being involved, by being part of a diverse community sharing ideas stemming from shared values, and benefitting from opportunities to collaborate, build relationships and network with likeminded people.

Having a shared voice and joining with like-minded organisations to influence government policy and developments via representation at local, regional and national levels is key to our work.

Being supported with guidance and information to keep up-to-date with news and abreast of key developments within the sector and access to training, consultancy and funding opportunities to help develop a competent, qualified workforce.

Other benefit includes:

- Discounts on publications, training, events and conferences.
- Access to a wide range of qualifications with reduced rates for Registration and Certification.
- Participation in ARC projects and pilot training programmes, promotion of your organisation and a Job Vacancy Listing Service via the ARC UK website.

Achievements in 2013/2014

Our aim at ARC's is to be the leading UK association of service providers who aspire to provide high quality service for people living with a learning disability. Our mission is to improve the quality of life for people who have a learning disability, by supporting anyone who is involved in the planning or delivery of support and services.

We do this in three ways -

1. Support & Develop
   - Provide support, training, information and development opportunities to organisations who recognise the need to improve their services
2. Connect & Liaise
   - Enabling providers to collaborate more effectively and learn from each other
3. Influence & Voice
   - Increase the voice of providers and people who use services locally, regionally and nationally, providing strong representation

Activities during the year

During 2013/2014 we have met the key objectives set out in our strategic plan, measuring our success through our pilot - evaluation framework. To ensure we are fit for purpose we also have delivered projects against our fourth strategic aim, striving for excellence.

1. Support & Develop

ARC UK's growth strategy focused this year on the business of supporting our existing members with new products and improved infrastructure services namely, information, networks and representation. We achieved this through a combination of improvements including restructuring our central office functions to focus on our existing customers and members. Providing support, training, information and development opportunities to organisations who recognise the need to improve their services is key to this role across the UK.

New products have been brought to market that support and develop the sector including new qualifications in development at ARC England and ARC NI – for people involved in coaching or mentoring learners in the workplace, who work as trainers/tutors or assessors in a range of sectors. Dementia training was launched in England and ARC NI explored the potential of a specialist leadership course for Sector Managers.

Our reputation in training remains high, in Scotland for example nearly all of the training was return business and there is considerable opportunity to expand this enterprise into new markets across the UK. A priority for 2015/16 is to generate funds to invest in new product development, marketing and publicity of our training products.

Active Support: booked up well into 2014 for consultancy and training in Wales, England and Northern Ireland. We have established new trainers to assist in the delivery of this service. European Care Certificate: 'Not Patients But Citizens With Rights' Train the Trainer Induction course was oversubscribed and an additional course run to cover the demand. Approval received from the awarding body AIMS to provide this as a recognised qualification under Qualification Credit Framework (QCF) as the European Care Award (ECA) in England. Anticipate sales of this in 2014/15.

Insight – a fortnightly distribution, in current style seems to be working, with a notable increase to over 50% hits increase in immediate opens and reads, concentrating on England members since a restructure of central office functions.

ARC England Training and Publication Services across the UK continued to be sold above budgeted levels, with regular bookings for our Mental Capacity Act and DOLS training too. Registrations for QCF awards on an upward trajectory and Workforce Development Team achieved the Skills for Care 100% milestone for Workforce Development Funding distribution and we were allocated an additional £100k by SfC in December. In England our Skills for Care Peer Supervision Project achieved positive feedback and we have approached NSA to fund other pilots as part of their network funding thus enabling a roll out across wider sector.

ARC NI has appointed a new team including a Co-ordinator for TILII, Margaret Sharvin who after reviewing all TILII projects and re-energised its purpose – to quote the group members they are 'totally up for it!!'

The Here to Stay Project addressing inequalities for new immigrants finding culturally sensitive support culminated this year in consensus building events in England, bringing together over 60 people from providers, commissioners and family carers in Birmingham and in London, to work with key players within equality and human rights in LD in England. Both Provider and Family Carer surveys are now complete and these events are to share the learning and build consensus about the way forward in the last 18 months of the project and plan its exit strategy.

2. Connect & Liaise

- Last years' RLO Anniversary Celebration events in England helped us establish connections across the regions, with over 200 people building a growing momentum amongst members to meet and share experiences on current aspects of their work.
- Development of new networks in England is part of the strategy in England to fill a space by consolidating our geographical networks in the North, Yorkshire, the Midlands and South West of England with over 110 provider reps participating ensuring a greater proportion of our members are driving future policy agendas within ARC.
- Scotland continues to facilitate 7 local provider networks with a membership of 197 senior professionals. Re-tendering and changes to hourly rates is causing concern amongst providers in some areas - and raising tensions between the forums and local authorities.
- Working in partnership with Coalition of Care and Support Providers Scotland (CCPS) - we held two training events in November (Edinburgh and Aberdeen) titled "Self Directed Support for HR and Finance staff". Steve Scown (Dimensions) and Helen Sanderson delivered the training, with 150 professionals attending, many of whom are members of the provider forums that we facilitate.

3. Influence & Voice

Our work to increase the voice of providers and people who use services locally, regionally and nationally, providing strong representation has developed with ARC England improving its work to become a mandated, authoritative sector voice nationally. As a signatory of the Winterbourne View Concordat, ARC England has represented the sector at workshops, discussions and as leading contributor to the Winterbourne View Driving Up Quality Alliance, with ARC's contribution as Steering Group member as well as making in kind contribution worth over £2,000.

The Scottish Government is becoming an increasingly significant stakeholder in ARC Scotland. Project funds awarded so far 2013/14 total just short of £200K. Our links in Scotland allows us to increase the voice of providers and people who use services nationally and this work generates opportunities for further investment from the Scottish Government in our work. It also brings challenges, most significantly a lack of Scotland-based resources and capacity, in comparison to our competitors, to engage with and influence fast-emerging policy and legislative initiatives. There have been some significant successes in this respect:

- On 26 April we led an Equalities Seminar event attended by approximately 35 Government policy makers entitled 'Supporting Offenders with Learning Disabilities'. This was delivered in partnership with Government Community Justice Department, Turning Point Scotland, NHS and Cornerstone.
- A report to the Minister for Education form the Scottish Government Post 16 Transitions Task Group heavily references the ARC Scotland Scottish Transitions Forum document 'Improving Transitions - an agenda for change' and recommends many of the actions identified by our members.
- The Scottish Autism Strategy steering group is also considering adopting the above document as good practice guidance for young people with autism.
- Worked in partnership with 9 other organisations to hold a major consultation event for providers, service users and carers on the SDS Bill Draft Guidance. This event was attended by 136 people. Collated responses will be sent to the Scottish Government.

- Taking a place on key social policy Challenging Behaviour National Steering Group and working with Challenging Behaviour Foundation to evaluate its work, canvassing members for their views on the current practice through the Active Support project, and newly a Member of CQC Stakeholder Reference Groups in England

Looking forward to 2014/2015

Like many other organisations working in this economic climate, ARC still faces challenges financially – for us, as an umbrella body, accountability to members is key to achieving financial sustainability over the coming years, and key to this is the need to better clarify the benefits of membership of ARC in each UK country. By doing this ARC will achieve growth – by increasing the membership of ARC in each UK country, and as well as developing its services of products to wider stakeholders across the sector. Only by supporting and developing our members will we make best use of our resources to build – quality relationships.

Our priorities over the next 12 months will be:

1. Increasing membership through nation country membership strategies

2. Improving our communications and local branding ensuring a personal approach is modelled throughout the organisation

3. Establishing a governance structure that is fit for its purpose and adequately responds to the changing operational environment across the UK

Members Survey Results and Analysis
Member and stakeholder surveys told us this year that ARC's customer relationships drive our business – we are clear that it is all about working with people who believe in our products and services – when we inspire them to make a real difference in the work they do to support people with Learning Disabilities.

By providing good quality support and development to our members and the providers we work with, we will concentrate on further developing a close relationship with our customers – when we do this well we create opportunities for provider to connect and liaise with each other as well with us. This creates a real movement – by working with people who understand our expertise, our values and our added value, we create an excitement and buzz about what we do. Staying connected with people and giving them value, means that we work with an authority and mandate to fulfil our third strategic aim of representing the sector and giving it a voice. By developing nation country member strategies we will develop relationships that don't just happen from one-time meetings at networking events, but through one to one personal contact with the teams working in their area. By focusing our planning to make those local connections grow, build local networks investing in the people we work with over the long-term. Where we have got this right, ARC stakeholders have told us how much they value their relationship with us.

Improved Communications
Our business is personal. A key theme to emerge was the high value placed on ARC's role in sharing local knowledge and engaging and influencing local bodies and devolved governments. Overall responses to all four of the surveys show that across the four nation countries' respondents particularly value engagement and communication at a local level and think that it is important to be kept up to date with information and developments in the local area. However, there was significantly less interest in information sharing at a UK wide level and this indifference was also in evidence in relation to matters at a European level.

Communication is a priority over the coming year – making and maintaining our connections immediately and consistently reinforces ARC's reputation as an expert – we have interesting things to say about how providers can improve the quality of their support and services and we have signed up in our principles and values to challenge and inspire the sector's workforce to continuously strive for improvements. Each nation country will charge its own communications, including e-mail newsletters, and regular briefings as well as refreshed nation country websites next year, as part of our refreshed brand where we will be:

- Making changes to ARC websites
- Updating the ARC logos
- Re-developing branding of ARC events and products

Targeting based on local needs, local interest and local capacity
The SLT in partnership with country chairs will produce membership strategies that meet the distinct needs of stakeholders in each UK country, focusing primarily on our ability to engage, communicate, influence and make connections between members at the right level.

Reflecting the feedback placed on the importance of the commodification of our member offer, there should be less emphasis on cost savings on training and other products, and on being part of a UK-wide organisation, although these will still feature.

Each Nation Country strategy will include targets for increased membership over a two-year period. Adopting this approach will lead to greater ownership and accountability within each of the UK countries (Directors and teams) for developing and increasing ARC membership. Developing the competency of staff will be a vital part of this and work has begun to develop a core competency framework across the organisation.

Membership Recruitment
ARC's Board and SLT have recognised that increasing membership is critical to delivering our strategy 2013-2016, and this will require us to review and re-launch our membership offer in light of changes both internally and externally to ARC.

Part of this will mean changing our Membership Application Process – and updating Membership categories. Membership applications will now be sought from:

- Providers across all sectors including voluntary, public and independent sectors
- People who receive support and their families who employ their own personal assistants, building on the PA Net in England (a £50 membership rate is proposed)
- The statutory sector including local authorities, health boards, health and social care partnerships
- Advocacy and self-advocacy organisations who are seeking to influence how support is planned and delivered (a £50 membership rate is proposed)

Improvements to the complexity of the current application process will address a current barrier to increasing membership where the current membership application form will be reduced to a single page and made available to download and complete online, on each of the ARC country websites.

Our commitment to the 'ARC Code of Practice' will be updated with a commitment to the 'ARC Real Change Philosophy' (ARC Strategy 2013-16, p10), setting out better what we do and most importantly why we do it!

Targets and costs
Through implementation of this strategy:

- ARC Scotland will double membership numbers in 2014/15 to 34 members, aiming for 5 new organisations becoming ARC Scotland members in 2015/16 when this strategy will be reviewed.

- ARC England will increase members by 10%; ARC Cymru will increase statutory sector membership by 4.

- ARC NI will develop its membership target by the next meeting, to give the new Director a chance to work with the Chair and the team, following further member research in June.

- Membership will also be offered at a reduced rate for advocacy organisations and individuals / families who employ personal assistants

People who have supported us in 2013/2014

ARC gratefully acknowledges the support of a number of individuals, organisations and charitable trusts that have supported our work in the past year with donations or grants for on-going work in the year. These include:

Belfast Health and Social Care Trust
Big Lottery Fund
Big Lottery Fund (Scotland)
Comic Relief
Department for Employment and Learning (Northern Ireland)
Department of Health
Department of Social Development (Northern Ireland)
European Social Fund
Scottish Government
Skills for Care (England)
South Eastern Health and Social Care Trust
Aberdeen Council
Vodafone
Cornwall LDPB
Angus Providers Forum
Ecorys/Leonardo

Financial Review

Financial Health

After seeing an increase of £26,600 in the previous year (mostly from unrestricted funds) ARC experienced an increase in funds of £78,855 (of which £16,744 was an increase in unrestricted funds and £62,111 increase in restricted funds) on a total turnover down from £2.493m to £2.042m.

Income from fundraising and projects

ARC is not easy to fundraise for since we do not normally provide direct service to people with learning disabilities and many trusts look at our membership and realise that they already support many of them. We are therefore especially grateful to those agencies, who do support us. Some of the supporters have wished to remain anonymous, but we do thank all of those who have supported us.

Grants or donations in excess of £30,000 in this period include:

£67k from the Department of Health
£592k from Skills for Care (England) – WDF Partnerships
£74k from the Department for Communities and Local Government
£263k from the Scottish Government
£38k from Comic Relief
£105k from Ecorys
£115k from the Big Lottery Fund
£30k from the Health and Social Care Board (Northern Ireland)

Investment Policy

Investment decisions are taken by the Finance sub-group. ARC's current investment policy is to hold monies in high interest bearing accounts with banks for periods ranging from one to six months to maximise interest and accessibility. ARC has no permanent endowment and provides for capital expenditure from within budget. We have reviewed this policy in the light of recent financial uncertainty and spread the money wider in to the COIF Charities Deposit Funds as a means of further reducing risk whilst still looking for a respectable return.

Reserves

The trustees have agreed a policy with regard to achieving an unrestricted reserves level equivalent to the costs of three months operations in order to enable an orderly shutdown of operations should it become necessary. The board of ARC has agreed the means by which these figures should be calculated and will review them each year when the budget for the coming year is set, taking account of redundancy liabilities, lease contracts and foreseeable operational costs to sustain an orderly closure. For the year 2013/2014 the target for the reserves was calculated at £210k and by March 2014 ARC's total unrestricted reserves stood at just over £64k.

Management risk

The board of ARC has an established arrangement for the systematic assessment and periodic review of the risks facing the organisation, with appropriate measures being taken to prioritise, manage and minimise the risks identified. It also has a system for keeping all of ARC's operational policies under review. In the year the board reviewed the risks facing ARC as part of its Strategic Review and approved actions to reduce identified risks where possible. The board has also received updates on the review of policies and procedures and any resulting changes that have been made.

Induction and training of trustees

All of ARC's trustees are very senior staff from within member organisations with significant experience of providing services, (this is a condition of membership of the Board of ARC). Prior to agreeing to stand for the board of ARC they are sent an outline of what becoming a trustee of ARC involves, the various criteria they must meet, and upon their election they are sent an information pack for new trustees. This contains details of the structure of and post holders within ARC as well as copies of the Charity Commission publications on the roles of trustee. Direct support for new trustees, is provided on request, by the Chair and Chief Executive.

Trustees' responsibility statement

The trustees of ARC are responsible for preparing the Annual Report and financial statements in compliance with current law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently
- 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 appropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the time the financial statements were approved:

- As far as the trustees are aware, there was no relevant audit information of which the auditors were unaware and
- The trustees have taken all the steps necessary as trustees to make themselves aware of any relevant audit information and to establish that the auditors were aware of that information.

Appointment of auditors

At the June 2014 board it was decided to go out to tender for the 2014-15 Audit services

By order of the board

John Bartle
Acting UK Chair
18/12/2014

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF THE ASSOCIATION FOR REAL CHANGE

We have audited the financial statements of The Association for Real Change for the year ended 31 March 2014 which comprises the Statement of Financial Activities and the Balance Sheet and the related notes. The financial reporting framework that has been applied in their presentation is applicable law and Financial Reporting Standards for smaller entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) regulations 2006 (as amended) along with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees Responsibilities Statement set out on page 14 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.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 along with section 33(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm

Opinions on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities and;
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulations 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF THE ASSOCIATION FOR REAL CHANGE

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exemption

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended), requires us to report to you if, in our opinion:

- The charitable company has not kept proper or adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report.

Barber Harrison & Platt

Mr Adrian Staniforth (Senior Statutory Auditor)

Date: 18 December 2014

For and on behalf of
Barber Harrison & Platt
Chartered Accountants
Statutory Auditor

57-59 Saltergate
Chesterfield
Derbyshire, S40 1UL

THE ASSOCIATION FOR REAL CHANGE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
Incoming resources					
Incoming resources from generated funds:					
Donations & Gifts		**411**	-	**411**	10
Membership subscriptions		**84,633**	-	**84,633**	92,877
Grants		-	-	-	76,463
Publications		**324**	-	**324**	478
Investment income		**511**	-	**511**	828
Incoming resources from charitable activities:					
Grants	(8)	-	**1,283,682**	**1,283,682**	1,592,999
Training & conferences		**430,270**	-	**430,270**	442,192
Services to members		**242,389**	-	**242,389**	287,653
Total incoming resources		**758,538**	**1,283,682**	**2,042,220**	2,493,500
Resources expended					
Costs of generating funds	(4)	**2,123**	-	**2,123**	3,326
Charitable activities					
Networking and preparation		**1,744**	-	**1,744**	2,733
Special projects	(8)	-	**1,221,571**	**1,221,571**	1,665,670
Training and conferences		**381,095**	-	**381,095**	373,284
Publications		**64**	-	**64**	100
Services to members		**315,237**	-	**315,237**	393,993
Governance costs	(5)	**20,977**	-	**20,977**	27,794
Total resources expended	(3)	**721,240**	**1,221,571**	**1,942,811**	2,466,900
Net incoming/(outgoing) resources For the year		**37,298**	**62,111**	**99,409**	26,600
Restructuring costs	(6)	**(20,554)**	-	**(20,554)**	-
Transfers of funds		-	-	-	-
Net income for the year		**16,744**	**62,111**	**78,855**	26,600
Balances brought forward at 1 April 2013		**48,027**	**109,286**	**157,313**	130,713
Balances carried forward at 31 March 2014	(12)	**64,771**	**171,397**	**236,168**	157,313
Funds to acquire fixed assets		**3,440**	-	**3,440**	**1,562**

THE ASSOCIATION FOR REAL CHANGE

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2014

	Note		2014	2013
		£	£	
Fixed assets				
Tangible fixed assets	(10)		**7,886**	11,296
Current assets				
Trade debtors		**86,155**		72,158
Prepayments and accrued income		**101,787**		220,877
Cash at bank and in hand		**223,517**		231,324
		411,459		524,359
Creditors: amounts falling due within one year				
Taxation and social security costs		**16,336**		22,393
Other creditors		**5,135**		230,732
Accruals		**62,288**		42,277
Deferred income	(11)	**99,418**		82,940
		183,177		378,342
Net current assets			**228,282**	146,017
Total assets less current liabilities			**236,168**	157,313
Funds				
Restricted funds	(8)		**171,397**	109,286
Unrestricted/designated funds	(12)		**64,771**	48,027
Total funds	(12)		**236,168**	157,313

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller companies.

Approved by the board on 18 December 2014 and signed on their behalf by:

John Bartle
Acting ARC UK Chair

Gary Bye
Trustee

1. Accounting Policies

a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006.

b) Depreciation

Depreciation is charged on a straight line basis at the following rates on all tangible fixed assets in order to write them off over their estimated useful lives. All assets costing more than £300 are capitalised at cost.

Office Equipment	33.33%
Fixtures	20.00%

c) Incoming resources

Income is accounted for on a receivable basis. Income from charitable activities include income from grant funding and are restricted where the funding is subject to specific performance conditions. Grant income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when the grants are received in advance of the performance conditions to be met. Any unspent income at the year end is carried forward as restricted funds.

d) Training and conference income

Income from training course fees is recognised over the duration of the course. Fees are generally invoiced in full at the time of enrolment. Income is recognised as each stage of the course is completed by the candidate and an assessment of that stage has been carried out by our assessors. Fees for conferences are invoiced in advance and recognised as income in the period in which the conference takes place.

e) Fund accounting

The unrestricted funds comprise general funds which are available for use by the charity for its general objectives. The restricted funds are subject to restrictive conditions made by the grant making body or donor.

f) Operating leases

The rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

g) The recognition of liabilities

Resources expended are accounted for on an accruals basis and are recognised when there is legal or constructive obligation to pay for expenditure.

1. Accounting Policies - continued

h) Services to members

This expenditure includes network costs, the costs of the national offices, the costs of providing the Disclosure services and the costs of the annual conference.

i) Support costs

Support costs have been allocated to activities based on the ratio of the individual activity expenditure against the overall expenditure. See note 3 for calculations.

j) Governance costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of auditing the charity.

k) Costs of generating funds

This expenditure is an allocation of time spent and other resources expended in connection with fundraising.

l) Pension scheme

The company contributes to a stakeholder pension scheme. The pension costs charged in the financial statements represent the contributions payable by the charity during the year, in accordance with FRS17.

m) Irrecoverable VAT

The company is not registered for VAT. Any irrecoverable VAT is charged against the expense to which the item relates.

n) Foreign currency translation

The company operates a Euro bank account. The balance at the year end is translated into Sterling at the rate prevailing at the balance sheet date. Any transactions throughout the period are translated at the rate at the time, and any exchange difference is taken to the Statement of Financial Activities to the relevant heading.

2. Incoming resources

Net incoming resources are stated after charging	**2014**	2013
	£	£
Depreciation	**6,850**	10,269
Auditors remuneration	**6,800**	6,400
Operating leases	**39,724**	39,724

3. Total resources expended

	2014	2013
	£	£
Direct costs	**1,836,601**	2,300,481
Support costs	**106,210**	166,419
Total resources expended	**1,942,811**	2,466,900

The support costs are allocated to activities below:

	Fundraising costs	Networking & representation	Training & conferences	Publication costs	Service to members	Gov'nce costs	Total 2014
	£	£	£	£	£	£	£
Finance & IT	**367**	**302**	**10,117**	**11**	**7,120**	**459**	**18,376**
Human Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Secretarial	**373**	**306**	**10,268**	**11**	**7,226**	**466**	**18,650**
Info & Design	**62**	**51**	**1,713**	**2**	**1,205**	**78**	**3,111**
Management	**81**	**66**	**2,225**	**2**	**1,566**	**101**	**4,042**
Office costs	**1,240**	**1,019**	**34,153**	**37**	**24,033**	**1,549**	**62,031**
	2,123	**1,744**	**58,477**	**64**	**41,150**	**2,653**	**106,210**

4. Costs of generating funds

	2014	2013
	£	£
Fundraising	**2,123**	3,326

Fundraising

This includes a relevant proportion of staff costs, professional fees and associated office expenses relating to the fundraising of restricted income, grants and donations. Publicity costs are included with 'publications' which are part of the direct charitable costs of the charity.

5. Governance costs

	2014	2013
	£	£
Other Professional fees	**283**	1,614
Audit fees	**7,050**	6,400
Other costs (including staff time and travel, trustees and support costs)	**13,644**	19,780

6. Restructuring costs

Restructuring cost incurred during the year amounted to £20,554 (2013: £nil). These costs include redundancy costs, pay in lieu of notice and legal fees.

7. Tax

As a charity, The Association For Real Change is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

8. Restricted funds

	Movement in Incoming £	Resources Outgoing £	ARC Contribution	B/forward 01/04/2013 £	C/forward 31/03/2014 £ £
EC Lifelong Learning – CCFC 12-14	5,072	150	-	(2,645)	2,277
Vodafone	2,750	1,875	-	-	875
Skills for Care W.D.F.	592,520	592,520	-	-	-
Progress Scotland – Aberdeen	10,150	10,150	-	-	-
NI – Tilii (Belfast)	21,237	28,237	-	7,000	-
NI – Tilii (South)	23,478	23,478	-	-	-
Devon & Cornwall Police	-	-	-	3,233	3,233
Helping Each Other	38,281	33,777	-	18,379	22,883
Scottish Government – Charter	63,764	22,023	-	-	41,741
Big Lottery – Here to Stay	114,519	96,037	-	50,092	68,574
Big Lottery – Progress Scotland	-	19,761	-	19,761	-
Self Directed Support (1)	88,275	89,184	-	10,556	9,647
Self Directed Support (2)	61,218	62,981	-	6,944	5,181
Get a Life – N Ireland	102,057	80,154	-	(21,903)	-
Lost for Words – N Ireland	30,000	22,705	-	7,416	14,711
National Involvement Network	-	2,001	-	2,001	-
Cornwall LDPB – Hate Crime	9,250	7,208	-	-	2,042
Creating an Ordinary Life	66,686	62,715	-	(4,710)	(739)
Angus Providers Forum	4,425	4,425	-	-	-
Progress Scotland	50,000	62,190	-	13,162	972
Total – Charitable Activities Restricted funds	**1,283,682**	**1,221,571**	-	**109,286**	**171,397**

The expenditure against the Creating an Ordinary Life project will all be covered by future grants for additional work on these ongoing projects.

The restricted grants received were utilised for the purposes for which they were given, as outlined below

8. **Restricted funds Continued**

CCFC 2012-14 (Funded by EC Lifelong Learning Programme)
To follow on from CCFC 2010-12 project, developing training packages and to promote the European Care Certificate and to increase the take up.

World of Difference (Funded by Vodafone)
This project was developing a new means for capturing client Person Centred Plans using new technologies and media in order to better portray and present the needs, desires and choices of people with learning disabilities.

SFC Workforce Development Fund (Funded by Skills for Care)
This project enables provider organisations to claim monies for completing courses and gaining qualifications.

Progress Scotland – Aberdeen (Funded by Aberdeen Council)
Development and support of self advocacy groups within Aberdeenshire.

TILII Belfast Project (Telling it Like it is) (Funded by Belfast HSST)
ARC supports two self advocacy groups in Muckamore Abbey Hospital and across Belfast.

TILII South Project (Telling it Like it is) (Funded by Southern Eastern Health & Social Care Trust)
ARC NI is supporting a group of men and women with a learning disability to run training sessions for staff.

Devon & Cornwall Police
Run an innovative programme aimed at preventing the exploitation and abuse of people with a learning disability by those claiming to be their friends.

Helping Each Other – (Funded by Comic Relief)
To educate young people with learning disabilities about the nature and dangers of sexual exploitation and how to avoid it.

Scottish Government – Charter
To update and promote the Charter for Involvement.

Here to Stay Project (Funded by the Big Lottery)
This projects aims to produce better and more accurate intelligence on the number of migrants with a learning disability living in England.

8. **Restricted funds Continued**

Progress Scotland (Funded by the Big Lottery)
This project helps people with learning disability lead full and active lives and be at the heart of their local community, really shaping what happens.

Self Directed Support Project (1) (Funded by the Scottish Government)
For the lives of people who require support to be enriched through having greater independence, choice and control by building the capacity of provider organisations.

Self Directed Support Project (2) (Funded by the Scottish Government)
Improve the life chances of young people with additional support needs who are making the transition from school or college by increasing the capacity of providers to offer them choice, independence and control.

Get a Life – NI (Funded by the Department for Employment and Learning and The Belfast Trust)
The Get a Life project seeks to support people to establish microenterprises as an alternative to traditional day care provisions.

Lost for Words (Funded by The Belfast Trust)
Lost for Words works alongside a small group of men with profound disabilities and will produce a training programme to assist people with learning disabilities to communicate with those who have no verbal speech.

National Involvement Network (Funded by the Scottish Government)
To work with members of the National Involvement Network (NIN) to begin work to update the 'Charter for Involvement'.

Cornwall LDPB – Hate Crime (Funded by the Cornwall Council)
This project involved sourcing and supporting work opportunities for learning disabled trainers who has completed the City & Guilds 7300 (Introduction to Training Skills) Award, with a focus on hate and mate crime. Learning disabled trainers delivered a range of sessions to newly trained Police Constables, Police Cadets, Adult Education tutors, school children, people with Learning Disabilities in day services, short break services and carers groups. In total more than 300 people were trained.

Creating an Ordinary Life (Funded by The Department of Health)
This is a 3 year project, enabling organisations to implement Active Support.

Angus Providers Forum (Funded by the Angus Council)
To support social care provider organisations in the Angus area, to meet and share learning. To facilitate links between providers and the local authority to support

Progress Scotland (Funded by the Scottish Government)

Help people with learning disability lead full and active lives and be at the heart of their local community, really shaping what happens.

9. Staff Costs

Staff costs:	**2014** **£**	2013 £
Wages & salaries	**658,451**	686,276
Pension costs	**24,167**	20,948
Social security cost	**61,273**	62,203
Totals	**743,891**	769,427

The average number of employees on a FTE basis.
And the areas in which they work are as follows:

	No.	No.
Charitable activities	**23**	24
Support Services	**10**	13
Fundraising	**-**	-
Average number of employees	**33**	37

The chair, a trustee of the charity was entitled to and received emoluments amounting to £4,500 (2013: £9,000). Her travel expenses to meetings during the year amounted to £147 (2013: £1,441). The other directors, who are Trustees of the Charity, were not entitled to, and did not receive any emoluments from the company during the year. Their travel expenses to meetings during the year amounted to £1,511 (2013: £1,470).

Staff pension contributions unpaid at the year end were £2,033 (2013: £2,484).

There are no staff with emoluments in excess of £60,000 (2013: None)

10. Tangible Fixed Assets

	Office equipment £
Cost	
Balance as at 1 April 2013	74,166
Additions during the year	3,440
Disposals during the year	(4,522)
Balance at 31 March 2014	**73,084**
Depreciation	
Balance as at 1 April 2013	62,870
Disposals during year	(4,522)
Charge for the year	6,850
Balance as at 31 March 2014	**65,198**
Net book value 31 March 2014	**7,886**
Net book value 31 March 2013	11,296

11. Deferred income

Course and Conference fees	**2014** £	2013 £
Received in advance at the beginning of the year	**88,652**	120,551
Total fees received in the year	**441,036**	410,293
Statement of financial activities	**(430,270)**	(442,192)
Received in advance at the end of the year	**99,418**	88,652
Other deferred income	-	(5,712)
Total deferred income	**99,418**	82,940

12. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	7,886	-	7,886
Net current assets	56,885	171,397	228,282
Net assets	64,771	171,397	236,168

13. Operating leases

	Land and Buildings	Others
Payments due in next year:		
-contracts expiring within one year	2,970	-
-contracts expiring within two years	33,245	3,509
	36,215	3,509

14. Related party transactions

The trustees of the company are associated with their employing organisations. By definition, these companies are all members of ARC.

These companies are invoiced for any training courses and other services as appropriate by ARC. All these transactions are on normal commercial terms and at arm's length and all members (whether Trustees or not) are treated in the same way.