

Company Registration Number 01658354
Registered Charity Number (E&W) 285575
Registered Charity Number (Scotland) SCO 39129

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

TRUSTEES REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

THE ASSOCIATION FOR REAL CHANGE
TRUSTEES REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

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.

Reference and Administrative Information

Registered office & headquarters:	ARC House Marsden Street Chesterfield S40 1JY
Telephone number:	01246 555043
Website:	www.arcuk.org.uk
Email:	info@arcuk.org.uk
Bankers:	Lloyds Bank Plc Church Street Sheffield
Auditors:	BHP LLP Chartered Accountants 57-59 Saltergate Chesterfield Derbyshire S40 1UL
Insurance advisors:	Arthur J Gallagher
Registered Company no:	01658354
Registered Charity no:	285575 (E&W)
Scottish Registered Charity no:	SCO 39129

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

Directors and Trustees:

Kate Allen	The Kingwood Trust
Chris Bennett	Perthyn – Chair ARC Cymru
Gary Bye	Life Path Trust Ltd
Peter Jung	Turning Point Scotland – UK Chair
Agnes Lunny OBE	Positive Futures – Chair ARC Northern Ireland
Gary Thompson	Autism Care UK Ltd
Neil Matthewman	Community Integrated Care – Chair England (Resigned August 2016)
John Crawford	Yarrow Housing (Appointed 14 th March 2017)
Phil Morris	Havencare (Appointed 14 th March 2017)
Graeme Fitzsimmons	Cornerstone Care (Appointed 30 ^h September 2016)
Anthea Sully	Real Life Options (Appointed 14 th March 2017)

Principal officers and member organisations represented in the year:

ARC UK Chair:	Peter Jung, Turning Point Scotland
Hon Treasurer:	Gary Bye, Life Path Trust Ltd
Chair ARC Cymru:	Chris Bennett, Perthyn
Chair ARC Scotland:	Graeme Fitzsimmons, Cornerstone Care
Chair ARC Northern Ireland:	Agnes Lunny, Positive Futures
Chair ARC England	Neil Matthewman, Community Integrated Care (Resigned August 2016)
Chair ARC England	Kate Allen, The Kingwood Trust (Appointed September 2016)

Senior management team:

Máire Gallagher	Managing Director
Lisa Lenton	England Director
James Fletcher	Scotland Director
Leslie-Anne Newton	Northern Ireland Director
Martin Anderson	Finance Manager

THE ASSOCIATION FOR REAL CHANGE

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FOR THE YEAR ENDED 31 MARCH 2017

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.

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

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.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

We have begun this by developing a bespoke Evaluation Framework Database, piloted in Scotland, now being tested and developed 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, statutory sector 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:
 - o Providing good quality, inspirational training
 - o Producing relevant, up to date training materials aimed at improving practice
 - o Offering bespoke consultancy for organisations to improve organisational learning and development
- Helping to share best practice and policy information distribution:
 - o Distributing information on current policy and practice developments in the four nation countries
 - o Producing briefing material on best practice
 - o Circulating regular newsletters promoting the sector, its work and outcomes
- Ensuring the voice and influence of the sector is heard by local policy makers by
 - o Responding to policy maker's consultations on what works and what doesn't work
 - o Working with policy makers to connect and liaise with providers and service users through networks and forums
 - o Membership of national Boards and policy making advice groups and forums including skills councils, government advisory groups and national networks

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

Public benefit requirement – continued

- Working with people with learning disabilities
 - o Best practice and research projects involving people with learning disabilities
 - o Developing advocacy skills and networks, including Scotland Charter for involvement and facilitating involvement of long stay patients (Telling It like It Is Group) at Muckamore Abbey Hospital.

Who governs ARC?

The Board of ARC meets four times a year in addition to the AGM. There is a finance sub-group and a HR and Risk sub-group which meet four times a year.

The Board members of ARC act as trustees and have the powers and obligations of company directors under the Companies Act 2006. The trustees were not entitled to or paid any remuneration but £1,192 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 on their part. This insurance cost £905.

Organisational structure and key management remuneration

The directors consider the senior management team to comprise the key management personnel of the charity in charge of directing and controlling and operating the charity on a day to day basis.

The pay of the senior management team is reviewed annually and any increases are agreed by the board.

Membership of ARC

By becoming a member of ARC, provider organisations benefit from being involved in 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 benefits include:

- Discounts on publications, training, events and conferences.
- Access to a wide range of qualifications with reduced rates for Registration and Certification.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

Membership of ARC - continued

- Participation in ARC projects and pilot training programmes, promotion of your organisation and a Job Vacancy Listing Service via the ARC UK website.

The Association for Real Change exists 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 or services. We know that our work may also benefit people who have other support needs and we are committed to sharing our learning and experience across all sectors that may benefit.

This is a time of unprecedented change in social care and we at ARC have adapted our organisation and our activities to ensure that we are well-positioned to support the sector in the face of its challenges. We developed a range of new partnerships, projects and activities, in response to members' needs. We continue to achieve above our own high expectations in the face of an uncertain and challenging operational environment.

One of the key challenges which faced the social care sector in 2015 was the introduction of the National Living Wage. This had a significant impact on the sector and ARC worked hard to support its members throughout this process.

Plans for the future

Looking forward to 2017-18 and beyond, economic and political flux looms large over our sector and this is further exacerbated by Brexit. This has caused no end of uncertainty as to what the negotiations will mean for those non-UK nationals, who provide such a valuable contribution to the Social Care workforce across the UK. This comes at a time when it is reported that the number of Social Care workers has fallen as demand for Social Care support is increasing.

The economy still is in a state of fluidity; concern is interspersed with glimpses of improvement. In addition, the potential loss of EU funding streams could have a detrimental effect on development if plans to replace these resources are not fixed firmly. Northern Ireland faces additional challenges due to continuing uncertainty about the future of devolution, with no assembly in place since 26 January 2017.

The government, like others before it, has voiced its strong commitment to the ongoing improvement of the NHS. It is hard to envisage how this can be properly achieved without a strong and vibrant Social Care sector, to provide the ongoing support and aftercare that currently use valuable NHS resources long after they are actually required.

In these testing times, the engagement, connections and voice that membership organisations like ARC can offer to our sector have never been more valuable.

Below are some of the key achievements from 2017-18

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

ARC Scotland

- ✓ Over 1,800 people were members of local and national networks in Scotland. This includes professionals from all relevant sectors, people with learning disabilities or other support needs and parents and carers.
- ✓ Brought over 80 people with learning disabilities from 34 support organisations together in the National Involvement Network (NIN)
- ✓ Supported NIN members to secure commitment from 50 voluntary, statutory and independent organisations to put the Charter for Involvement into practice and supported them to publish 'Putting the Charter into Practice' which set out the difference this has made.
- ✓ A parliamentary motion congratulating the NIN on the success of the Charter for Involvement was lodged.
- ✓ Supported NIN members to produce a short animated film about the Charter to make it more accessible to people with communication and literacy issues.
- ✓ Supported NIN members to develop a 'Talking Mats' framework for the Charter and undertake the training to carry out Talking Mats interviews.
- ✓ Worked in partnership with the Care Inspectorate to run a series of five consultation events with people with learning disabilities, on the new National Care Standards.
- ✓ Supported NIN members to design and deliver training to other self-advocates in presentation skills, evaluation techniques and chairing meetings.
- ✓ Supported members of self-advocate groups in Aberdeenshire and Dumfries and Galloway to engage with local authority planning and decision-making processes concerning the Keys to Life, self-directed support and human rights legislation and to tackle disability hate crime and support the development of 'Keep Safe' schemes.
- ✓ Continued to lead the Supporting Offenders with Learning Disabilities (SOLD) partnership between ARC Scotland and People First Scotland - national network working to improve support and reduce offending amongst people with learning disabilities.
- ✓ Held national events that brought together people from across the criminal justice sector, keynote speakers included the Lord Justice Clerk, Convenor of the Law Society for Scotland Equality and Diversity Committee, Solicitor General and people with learning disabilities with experience of the criminal justice system.
- ✓ Published 'Improving support for people with learning disabilities from arrest to court.'
- ✓ Worked with People First Scotland to deliver training to agencies in the criminal justice sector including Scottish Criminal Case Review Commission, Solicitors and NES.
- ✓ Continued to lead and facilitate Scottish Transitions Forum (STF) – national network working to improve transitions for young people (14 to 25 years) with additional support needs. Increased membership from 420 to 850 people and organised network events that created solutions to transitions challenges.
- ✓ Published 'Principles of Good Transitions 3' following extensive consultations with STF members, young people, families, professionals and Scottish Government policy teams.
- ✓ Launched the above document at a Parliamentary Event on 24th January with a keynote address from the Minister for Mental Health.
- ✓ Worked closely with the Scottish Government and Independent Living Funds (ILF) Scotland to develop proposals for the purpose and criteria for the new ILF based on the Principles of Good Transitions 3.
- ✓ Increased the use of the Principles of Good Transitions 3 in shaping and informing local transitions planning and practice, including supporting local authority to develop and evaluate transitions strategies.
- ✓ Chaired the Scottish Strategy for Autism Transitions Working group and member of the strategy governance group.
- ✓ Achieved the Inclusion of the Principles of Good Transitions 3 in Fairer Scotland for Disabled People delivery plan.
- ✓ Joined the Disabled Children and Young People Advisory Group, which advises government ministers.
- ✓ Conducted national surveys of young people and parents/carers about their experiences of transitions. Received 740 responses.
- ✓ Established a new Local Provider Forum in Moray, bringing the total to eight networks of social care providers that share learning, develop peer support and promote joint working amongst 612 senior social care managers.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

ARC Scotland (continued)

- ✓ Coordinated the sharing of information and resources between forum members and external agencies, including the Care Inspectorate, Scottish Social Services Council, NES and Third Sector interfaces.
- ✓ Coordinated the engagement of providers with the local implementation of policy and legislation, including self-directed support, health and social care integration, Keys to Life and the Scottish Strategy for Autism and new care standards.
- ✓ Led collective approaches to critical challenges such as staff recruitment and changes to employment law.

ARC Northern Ireland

- ✓ Increased membership by 5%, supporting 38 organisations
- ✓ Processed 686 Access NI Checks
- ✓ Delivered 57 Training courses supporting 811 learners
- ✓ Introduced new training products
- ✓ Developed the capacity of the sector to respond to new safeguarding policy/procedural requirements by delivering four events introducing the 'Adult Safeguarding Champion's role'
- ✓ Delivered a 2-day cross-sector conference which attracted 216 attendees, co-chaired by 2 TILII representatives
- ✓ Delivered 11 collaborative workstream meetings with 6 external speakers attending to provide update briefings on key developments such as Self-Directed Support; Standards for Supported Living; E-learning platforms; and the Mental Capacity Act
- ✓ Grew our digital presence by 40%
- ✓ Provided an honest broker role between stakeholders when discussing National Living Wage and night time support; financial uplifts required by the sector; reform required within the adult social care sector; and outcome measurement tools in adult social care.
- ✓ Submitted 5 responses to public consultations on relevant issues such as RQIA's Revised Inspection Policy, Introduction of the Apprenticeship Levy and Programme for Government, on behalf of the members
- ✓ Represented members on a quarterly basis at the Stormont All Party Learning Disability Group
- ✓ Represented the sector's views at 17 externally facilitated meetings, discussing issues pertaining to the regulation, recruitment and needs of the social care workforce; health inequalities as experienced by people with a learning disability; the regional progression of day opportunities; and strengthening the commitment to learning disability nursing
- ✓ Our Telling It Like It Is (TILII) self-advocating groups of adults with a learning disability delivered 2 induction training sessions to 28 Health & Social Care staff and 3 training sessions to 24 long-term unemployed individuals, inducting them in the work of the social care sector
- ✓ TILII interviewed 51 professionals in various disciplines and over 30 people with a learning disability, culminating in 13 Roving Reports sharing topics relevant to the learning disability sector and wider community
- ✓ TILII met with a range of stakeholders and gave feedback on a number of initiatives including Queens University exploring how to better measure quality of life; our service regulator RQIA consulting on an accessible questionnaire; and the Department of Health's review of Bamford
- ✓ Our 'OPTIO' project, recruited 23 people within 3 groups and delivered training on enterprise. 61% progressed to co-design and deliver 3 enterprise challenges raising a total of £491 net profit. This money is re-invested back within the groups to continue with their entrepreneurial activity
- ✓ Our 'Getting Started' project which began in the previous year concluded in 2016/17 and enabled a further 24 (28 the previous year) long-term unemployed individuals to complete the 8-week training course introducing them to the social care sector, with 17 of those gaining a European Certificate in Care. 5 Individuals secured employment and 3 individuals were offered volunteering opportunities within ARC's member organisations.

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

ARC England

- ✓ 4 Mock Employment Tribunals were facilitated in conjunction with Flint Bishop (York, Loughborough, Crediton & London), attended by 110 attendees.
- ✓ 3 CQC and Inspection meeting were facilitated in conjunction with Head of Inspection for CQC North West and supported by Chief Inspector of Adult Social Care in Birmingham, Okehampton and London.
- ✓ 2 Learning Development Meetings were held in Harrogate and West Bromwich, attended by 21 people in total.
- ✓ ARC England are active stakeholders in CPA (Care Provider Alliance); CSA (Care and Support Alliance); CQC (Care Quality Commission) Trade Association; TLAP (Think Local Act Personal) – Making it Real; CBF (Challenging Behaviour Foundation) National Strategy Group; Social Care Providers Group NHS England and are partners in the newly formed Cavendish Coalition, which has been established to work towards protecting EU migrants employment rights following Brexit.
- ✓ 26 editions of Real People e-newsletter, plus a ‘Referendum Special Edition’ were issued to over 2,300 recipients in 2016/17
- ✓ Social Media – We have had an increase of 12% in the number of Facebook ‘friends’, our posts have been liked 2,765 times and Twitter followers have increased to 3,590.
- ✓ The workshops delivered in 2016/7 covered a comprehensive range of topics and themes. We launched our new ‘Mental Capacity / Deprivation of Liberty Safeguards Train the Trainer’ workshop. We also offered mandatory training for the first time and a suite of Management and Leadership training modules.
- ✓ Mandatory training; 22 delegates in 2 in-house workshops.
- ✓ Management and Leadership: 12 delegates in an in-house session.
- ✓ Care Certificate Assessor Workshops: 19 delegates in 2 in-house workshops
- ✓ MCA/DoLs: 25 delegates in 5 open courses
- ✓ MCA/DoLs Train the Trainer: 49 delegates in 4 open courses
- ✓ Supporting Medication: 76 delegates in 5 open courses, plus 6 in-house workshops
- ✓ Mate Crime training: 12 delegates in 2 in-house workshops
- ✓ Understanding Diversity: 6 delegates in an open course
- ✓ Our Active Support training and consultancy service was commissioned to deliver training in Denmark, we supplied 7 days worth of training in Billund. As well as this, the interest in Active Support within England and Wales increased with 13 days delivered, across multiple organisations.
- ✓ As an approved City and Guilds centre, processed 78 registrations for qualifications from 15 different organisations or individuals and provided 13 different qualifications / pathways to our candidates. Qualifications Achieved – 50; Units Certificated – 480; Ongoing Candidates – 108. We have acquired 4 new organisations accessing our qualification centre. Also, for the first time. Learners accessed Level 3 Award and Certificate in work with parents, Level 3 Diploma in Independent Advocacy and Level 2 Award in Supporting Individuals with Learning Disabilities. We held 5 standardisation events in 2016/17 in 5 different locations to ensure Assessors and Internal Quality Assessors maintain their currency of practice.
- ✓ ARC Qualification Centre passed 2 City and Guilds Assurance inspections during 2016/17
- ✓ Care Certificate Distance Learning pack continued to be popular and 376 packs and workbooks were provided in 2016/17.
- ✓ 568 Supporting Medication workbooks were provided by us, and we had 395 workbooks submitted for ARC assessment in 2016/17
- ✓ We administered 5,620 DBS checks in 2016/17, 99% of which were Online.
- ✓ ARC is a National Lead Partner for the disbursement of Department of Health funding called Workforce Development Funding (WDF) – 41 organisations (over 400 individual services) accessed this in 2016/17. We increased reach of WDF by 18% compared to the previous year.

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FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

ARC Cymru

- ✓ Members of the workforce in Wales have engaged in some of the activities listed above delivered by ARC England – e.g. regional forums, training.
- ✓ Welsh members attended the mock employment tribunal session in London
- ✓ We have engaged in raising awareness with the Welsh Government with the regards to the impact on the “sleep-in” issues and the impact of the new “living wage”.
- ✓ We have a voice on the National Commissioning Board for the future of learning disability services.
- ✓ We have contributed to the development of the Regulation and Inspection Act 2016 in Wales.
- ✓ We have explored with major providers in Wales opportunities to support Co-Production and Cooperative ways of working and developing sustainable communities.
- ✓ We have been laying the foundations for significant development in Wales in 2017/18.
- ✓ An ARC Cymru Twitter feed has been launched.

People who have supported us in 2016/2017

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:

Aberdeen Council
Belfast Health and Social Care Trust
Department for the Economy
East Belfast Enterprise
European Social Fund
Health and Social Care Board
Scottish Government
Skills for Care (England)
South Eastern Health and Social Care Trust

THE ASSOCIATION FOR REAL CHANGE

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

Financial Health

After seeing a reduction of £57,776 in the previous year (of which £24,601 was an increase in unrestricted funds and £82,377 reduction in restricted funds) ARC experienced an increase in funds of £50,065 (of which £53,367 was an increase in unrestricted funds and £3,302 decrease in restricted funds) on a total income up from £1.833m to £1.896m

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.

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 2016/2017 the target for the reserves was calculated at £277k and by March 2017 ARC's total unrestricted reserves stood at £160k.

Risk Management

The board of ARC works hard to ensure it has proper arrangements 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 has improved its reporting procedures using a traffic light approach to identify risks in our financial reporting and in our efforts to ensure good governance, the board has begun a full review of its Articles of Association. The aim is to make these more accessible, less unwieldy, fit for purpose and future proof.

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 Managing Director.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

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
- Observe the methods and principles in the Charities SORP 2015 (FRS102)
- 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, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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

A resolution for the re-appointment of BHP LLP Chartered Accountants, as auditors for the coming year will be proposed at the forthcoming annual general meeting.

By order of the board



25th August 2017

Peter Jung
UK Chair, on behalf of the Board

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 2017 which comprises the Statement of Financial Activities, Balance Sheet, Cash Flow and the related notes. The financial reporting framework that has been applied in their presentation is applicable law and (United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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). 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 12 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 44 (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/auditscopeukprivate

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 2017, 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 and;
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee 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 based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

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.



Mr Adrian Staniforth (Senior Statutory Auditor)

Date: 6th September 2017

For and on behalf of
BHP LLP, 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 2017

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income					
Charitable activities:					
Membership subscriptions		92,800	-	92,800	86,880
Grants	(5)	-	1,010,405	1,010,405	1,070,937
Training & conferences		540,967	-	540,967	436,753
Services to members		250,183	-	250,183	237,344
Other trading activities:					
Publications		628	-	628	146
Donations & Gifts		50	-	50	76
Investment income		863	-	863	665
Total income		<u>885,491</u>	<u>1,010,405</u>	<u>1,895,896</u>	<u>1,832,801</u>
Expenditure					
Charitable activities					
Special projects	(5)	-	1,013,707	1,013,707	1,153,314
Training and conferences		376,416	-	376,416	393,814
Services to members		455,708	-	455,708	343,449
Total expenditure	(3)	<u>832,124</u>	<u>1,013,707</u>	<u>1,845,831</u>	<u>1,890,577</u>
Net incoming/(outgoing) resources for the year		53,367	(3,302)	50,065	(57,776)
Balances brought forward at 1 April 2016		<u>106,955</u>	<u>33,229</u>	<u>140,184</u>	<u>197,960</u>
Balances carried forward at 31 March 2017	(10)	<u>160,322</u>	<u>29,927</u>	<u>190,249</u>	<u>140,184</u>

THE ASSOCIATION FOR REAL CHANGE

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2017

	<u>Note</u>	2017 £	2016 £
Fixed assets			
Tangible fixed assets	(7)	4,824	1,669
Current assets			
Trade debtors		126,745	129,075
Prepayments and accrued income		63,410	35,725
Cash at bank and in hand		457,771	392,414
		<u>647,926</u>	<u>557,214</u>
Creditors: amounts falling due within one year			
Taxation and social security costs		14,824	15,322
Other creditors		52,785	38,566
Accruals		113,986	102,471
Deferred income	(8)	280,906	262,340
		<u>462,501</u>	<u>418,699</u>
Net current assets		<u>185,425</u>	<u>138,515</u>
Total assets less current liabilities		<u>190,249</u>	<u>140,184</u>
Funds			
Restricted funds	(5)	29,927	33,229
Unrestricted funds	(10)	160,322	106,955
Total funds	(10)	<u>190,249</u>	<u>140,184</u>

Approved by the board on 25th August 2017 and signed on their behalf by:



Peter Jung – UK Chair

The notes on pages 18 to 25 form part of these financial statements.

Company Registration Number 01658354

THE ASSOCIATION FOR REAL CHANGE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	<u>Note</u>	2017 £	2016 £
Cash used in operating activities	(9)	<u>71,593</u>	<u>(38,241)</u>
Cash flows from investing activities			
Interest received		863	665
Purchase of tangible fixed assets		<u>(7,099)</u>	<u>(279)</u>
Cash provided by (used in) investing activities		<u>(6,236)</u>	<u>386</u>
Increase / (decrease) in cash and cash equivalents in the year		65,357	(37,855)
Cash and cash equivalents at the beginning of the year		<u>392,414</u>	<u>430,269</u>
Cash and cash equivalents at the end of the year		<u>457,771</u>	<u>392,414</u>

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Association for Real Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

b) Company status

The charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Income

Income from membership subscription is recognised over the period of the subscription.

Income from grants is recognised in the period in which the grant relates to.

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. Income from services to members is recognised in the period in which the related expenditure occurs.

Income from publications, donations and investment income are recognised when they are received.

d) 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. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) 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.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

1. Accounting Policies - continued

f) The recognition of liabilities

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

g) 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.

h) Support costs

Support costs have been allocated to activities based on the ratio of the individual activity expenditure against the overall expenditure, as detailed in note 3.

i) Costs of generating funds

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

j) 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 FRS102.

k) Irrecoverable VAT

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

l) 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.

m) Tangible fixed assets

Assets costing more than £200 are capitalised and depreciated over their estimated useful life.

Depreciation is charged as follows -

Office equipment	33.3% Straight Line
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n) Debtors

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

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

1. Accounting Policies - continued

o) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

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

q) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2. Incoming resources

Net incoming resources are stated after charging	2017	2016
	£	£
Depreciation	3,944	4,059
Auditors remuneration	7,200	7,300
Operating leases	39,308	40,419

Income from unrestricted funds totalled £885,491 (2016: £761,864), and from restricted funds totalled £1,010,405 (2016: £1,070,937)

3. Total expenditure

	2017	2016
	£	£
Direct costs	1,757,423	1,743,046
Support costs	88,408	147,531
Total expenditure	1,845,831	1,890,577

Expenditure of unrestricted funds totalled £832,124 (2016: £737,263), and of restricted funds totalled £1,013,707 (2016: £1,153,314)

The support costs are allocated to activities below:

	Training & conferences £	Service to members £	Total 2017 £
Finance & IT	16,141	19,541	35,682
Secretarial	5,640	6,829	12,469
Management	12,165	14,728	26,893
Office costs	6,045	7,319	13,364
	39,991	48,417	88,408

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

4. 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.

5. Restricted funds

	Resources Incoming £	Resources Outgoing £	B/forward 01/04/2016 £	C/forward 31/03/2017 £
Skills for Care W.D.F.	403,740	403,740	-	-
Progress Scotland – Aberdeen	10,561	10,711	150	-
NI – Tili (Belfast)	21,356	21,356	-	-
NI – Tili (South)	23,000	23,000	-	-
Optio	87,359	87,209	4,005	4,155
Helping Each Other	-	455	455	-
Scottish Government – Charter	115,063	115,065	2	-
Awards for All – Criminal Justice	-	549	549	-
Self Directed Support (2)	72,240	72,442	202	-
Getting Started	-	8,284	8,284	-
Scottish Government – Charter	25,000	16,083	593	9,510
Scottish Government - Transitions	65,405	64,777	2,270	2,898
Progress Scotland	57,751	53,988	4,419	8,182
Scottish Govt – Transitions (Autism)	26,919	32,384	5,996	531
Scottish Government – SOLD	102,011	103,664	6,304	4,651
Total – Charitable Activities				
Restricted funds	1,010,405	1,013,707	33,229	29,927

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

5. Restricted funds Continued

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

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 HSCT)

ARC supports three self advocacy groups in community settings across Belfast.

TILII South Eastern Project (Telling it Like it is) (Funded by Southern Eastern Health & Social Care Trust)

ARC NI supports 3 groups of men and women with a learning disability to run training sessions for staff.

OPTIO (Funded by the Department for Employment and Learning, ESF and The Belfast Trust)

A Three-year project, engaging 28 adults with a learning disability in a two staged model exploring choice and promoting enterprise. Of the 23 participants, 61% progressed to co-design and deliver 3 profitable enterprise challenges, furthermore 48% secured accredited qualifications.

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.

Understanding Learning Disabilities in the Criminal Justice system (Funded by Awards for All)

This project is to seek and develop a voice for young people with learning disabilities who are involved with the Criminal Justice system.

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.

Getting Started (Funded by Ulster Garden Villages)

This project aimed to introduce economically inactive or unemployed people into the social care sector. 34 participants received training and 28 achieved a European Care Certificate. 14 people were offered and took up employment and 1 participant took up a volunteer post within the sector.

Charter (Talking Mats) (Funded by the Scottish Government)

This project supported members of the National Involvement Network to make the Charter for Involvement more accessible for people with communication difficulties. This involved producing a short animated film, development and piloting a talking mats framework for the Charter.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

5. Restricted funds Continued

Transitions (Funded by the Scottish Government)

This project was to ensure that the Scottish Transitions forum influences practice and policy at a national level. Also to produce and launch the Principles of Good Transitions 3.

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.

Transitions - Autism (Funded by the Scottish Government)

This project mapped the provision of support for young people with additional needs who are in transition in Scotland.

SOLD (Funded by the Scottish Government)

This project is to support and develop the Supporting Offenders with Learning Disabilities (SOLD) network, to form the National Criminal Justice Action Group as described in the 'Keys to Life' recommendation 46.

6. Staff Costs

	2017	2016
	£	£
Staff costs:		
Wages & salaries	632,178	637,118
Pension costs	30,569	28,981
Social security cost	56,825	58,362
Totals	<u>719,572</u>	<u>724,461</u>

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

	No.	No.
Charitable activities	14	15
Support Services	9	8
Average number of employees	<u>23</u>	<u>23</u>

The 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 £1,192 (2016: £2,814).

Staff pension contributions unpaid at the year end were £225 (2016: £268).

There are no staff with emoluments in excess of £60,000 (2016: None).

The total amount of employee benefits received by key management personnel is £169,157 (2016: £155,059). The charity considers its key management personnel to be the staff who comprise of the Managing Director, country directors and the finance manager.

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

7 Tangible Fixed Assets

	Office equipment £
Cost	
Balance as at 1 April 2016	31,898
Additions during the year	7,099
Disposals during the year	(13,807)
Balance at 31 March 2017	25,190
Depreciation	
Balance as at 1 April 2016	30,229
Disposals during year	(13,807)
Charge for the year	3,944
Balance as at 31 March 2017	20,366
Net book value 31 March 2017	4,824
Net book value 31 March 2016	1,669

8. Deferred income

<u>Course and Conference fees</u>	2017 £	2016 £
Received in advance at the beginning of the year	262,340	213,886
Total fees received in the year	559,643	485,207
Statement of financial activities	(541,077)	(436,753)
Received in advance at the end of the year	280,906	262,340

9. Reconciliation of net movement in funds To net cash flow from operating activities

	2017 £	2016 £
Net movement in funds	50,065	(57,776)
Depreciation charges	3,944	4,059
(Increase)/Decrease in debtors	(25,355)	21,011
(Decrease)/Increase in creditors	43,802	(4,870)
Investment income	(863)	(665)
Net cash used in operating activities	71,593	(38,241)

THE ASSOCIATION FOR REAL CHANGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017 - CONTINUED

10 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	4,824	-	4,824
Net current assets	155,498	29,927	185,425
	<hr/>	<hr/>	<hr/>
Net assets	160,322	29,927	190,249
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. Financial commitments

At 31 March 2017 the company had future minimum lease payments under non-cancellable leases as follows:

	2017 £	2016 £
Within one year	32,865	18,367
Over 1 year	42,163	262
	<hr/>	<hr/>
	75,028	18,629
	<hr/> <hr/>	<hr/> <hr/>

12. 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.