

THE RELATIVES AND RESIDENTS ASSOCIATION
(A company limited by guarantee)

**DIRECTORS AND TRUSTEES REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED 31 MARCH 2019

Company No: 02813362
Charity No: 1020194

THE RELATIVES AND RESIDENTS ASSOCIATION
(A company limited by guarantee)

REPORT AND ACCOUNTS

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THE RELATIVES AND RESIDENTS ASSOCIATION
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DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2019

The trustees are pleased to present their annual directors' report together with the financial statements of the Charity for the year ended 31st March 2019, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements 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).

KEY DEVELOPMENTS IN THE LAST YEAR

The receipt of the Lampard Watt legacy has given the charity a new lease of life. The last financial year gave us the opportunity to begin to plan for a new future and to review our strategy in a more stable financial climate. Despite the loss of corporate income, it is clear that the R&RA still performs a vital and necessary role and enables the relative's voice to be heard. Building the charity from a more secure base should be less problematic for future funders than when it was more challenging for them to envisage a longer term commitment to us. The strategy reviews have enabled the charity to carry out succession planning, which it is hoped will ensure positive developments and new initiatives.

OUR PURPOSE AND ACTIVITIES

Our purpose and activities remain those inspired by Dorothy White O.B.E., our founder.

The R&RA continues, in the words of our governing document "*to assist in achieving and maintaining the highest possible standards of care for elderly people*" by:

- providing a first-class Helpline, staffed by experienced and empathetic staff;
- empowering relatives' and friends' by giving them the information they need;
- listening to relatives' worries and concerns and helping them to better support older people in or needing care; to acting on their behalf when appropriate;
- using their unique perspectives and experiences to inform policy makers, regulators, the media and others;
- challenging policies which affect their human rights or abilities to represent older people in care;
- championing quality of life and higher and better standards;
- providing resources for care workers, relatives and providers;
- making the case for better quality care by supporting mandatory training and improved conditions for care workers;
- seeking better and more effective regulation;
- working in partnership with others.

The charity's independent status means that we are a trusted, reliable and impartial source of information and support to our beneficiaries. This applies not only to those who we support but also to Government, regulators, providers, researchers and the media. The essence of the R&RA role lies in enabling and empowering relatives and friends to make a difference to the quality of life and outcomes for the older people they care about.

Our impartiality is invaluable in helping to remove the friction from the interaction with the key person or organisation. This enables us to help by informing and mediating. We are able to demonstrate our knowledge and experience of the relevant regulations and guidance to those making care decisions which helps us to engage positively with them. We interact with providers, commissioners and regulators, as appropriate, in the interests of those in receipt of care and their families and friends. We regularly help to suggest solutions and solve problems with them or on their behalf as well-informed and experienced intermediaries.

Office matters

Our rent increase and the unsatisfactory new terms and conditions of our lease has meant that the Trustees have spent time considering property options for the charity and are actively seeking new accommodation which will meet our current needs with room for expansion. This has taken longer and proved more intractable than expected. We hope to be able to report progress at the next AGM.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

ACHIEVEMENTS AND PERFORMANCE

Mental Capacity (Amendment) Act

We have devoted significant resources throughout 2018/19 to combatting this poorly drafted legislation. We have worked in partnership with other organisations and presented a united front against many aspects of the Bill. In particular, we partnered with a number of human rights organisations, academics, Best Interest Assessors, lawyers, organisations representing people using mental health, learning disability, physical disability services and others, including care provider associations. We provided large amounts of briefing over the months for Opposition Members of both Commons and Lords and met with them regularly. We also participated in many meetings with the Department of Health and Social Care's Bill team.

We also obtained media coverage for our concerns and some of our clients were featured on You & Yours, the Victoria Derbyshire Show, and in the national and local media.

The result was a partial success. We managed to ameliorate some of the worst features of the Bill, in particular, reducing the major role originally given to care home managers in making deprivation of liberty decisions, although the final result still remains unsatisfactory. We are represented on the group writing the Code of Practice. We expect a flurry of legal challenges based on individuals' human rights once the Act is in operation.

Helpline

The calls and contacts received by the Helpline in the last year reflect the trend in recent years. There are, as we reported last year, rising numbers of complex and difficult dilemmas for families. The increased age and frailty of those now needing care, exacerbated by the effects of dementia, make the caring task more complex and demanding. It also raises more challenges for relatives who wish to protect the human rights and dignity of residents. They are wary of repercussions if they raise questions or queries about care. They are also aware that making a decision to move elsewhere in the last weeks or months of life is fraught with risks of different types.

The impact of high turnover of both managers and staff in care homes causes great anxiety to relatives due to the lack of continuity of care. Again, this means over-reliance on agency staff, lack of supervision and erratic training. The effect of local authority cuts on services has also had a stark effect on the experience of assessment and placement for many people. Relatives regularly report that care assessments are given short shrift: many are now made online or over the phone with little input from those who should be both involved and consulted. There remains concern over those in care – a significant proportion – with no kith or kin or anyone who can support them or speak for them.

Helpline data in percentages

	2017/18 %	2018/19 %
Problems with care		
• Care concerns	19	25
• Human rights	12	15
• Evictions	1	2
• Poor management	19	16
Total	51	58
Other:		
• Financial	9	12
• Admission	6	5
• Legal	28	15
• General	6	10
Total	49	42
TOTAL	100	100

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FOR THE YEAR ENDED 31ST MARCH 2019

'Problems with care' figures reflect the wide range of problems confronting families. The 'care concerns' and 'human rights' categories include the increasing number of relatives who face restrictions in visiting, outright bans on visiting and sometimes notices to quit, as a direct result of their having raised concerns. Sometimes categories overlap. For example, the 'legal' category includes care providers' duties under the Care Act, the Mental Capacity Act, the Mental Health Act and consumer law. In particular, misunderstandings about the Mental Capacity Act regularly impact on resident's human rights, particularly on where they live, and when their freedom of movement and freedom of association is curtailed without good reason.

Influencing public, political and professional opinion

Work with CQC

'Tell us about your car home' was a project originally set up with CQC, at our initiative. It has now been extended to include a number of other organisations. The original intention was that we provided intelligence to CQC on a regular basis about breaches of the regulations, which most people call complaints. For example, when care standards fall below acceptable standards and where they seriously affect the resident's quality of life. Most relatives (75%) do not give us permission to inform the regulator about their concerns because they are worried about both confidentiality and repercussions. Unfortunately, these fears are regularly borne out by the behaviour of a minority of managers, who make good relationships impossible for those they label as 'difficult'.

As reported last year, instead of viewing our data as a useful additional resource to inspectors, our role appears to be seen as illustrating CQC's relationship with the community rather than as a source of useful intelligence. Whereas at its outset the project was highlighted on the CQC website, it is now hard to find, even for those who know it exists.

Improving dental care for older people – Keep Smiling

The resource, *Keep Smiling: mouth and teeth care for older people* has been widely welcomed as a much needed publication. We have been working in partnership with the Dementia Friendly Dentistry group and the team at NHS Kent Surrey and Sussex who produced Mouth Care Matters. Their expertise and experience in helping us to produce this document has been invaluable. We have remained in touch with Health Education England (HEE) on dental care and their interest in dementia. We have also been working with a number of other organisations who are interested in promoting better mouth and teeth care for older people in care.

Fighting for fairer terms and conditions

We continue to be consulted by the Competition and Markets Authority and they are continuing with their work in monitoring unfair contracts and charges. We supplied them with data received from our callers to inform their final report. Since its publication, we have encouraged our callers to contact them directly about their experiences of unfair contracts and charges.

Work and meetings with other organisations

We have continued to brief and advise the National Pensioners' Convention (NPC), and spoken at a number of their events to spread knowledge of our work and priorities. We are members of the Care Support Alliance (CSA), and the National Care Forum (NCF), the organisation representing not-for-profit providers. We are regular attenders of the CQC's co-production meetings, among others.

We continue to meet with a wide range of statutory, not for profit and other organisations, including ARCO, the Association of Retirement Communities Operators, the Carers' Trust, Carers' UK, Care England, Civil Service charities, the Local Government Ombudsman, the My Home Life project, the National Care Association (NCA), NHS England, the Patients' Association, as well as Skills for Care, the United Kingdom Homecare Association (UKHCA) and the Voluntary Organisations Disability Group (VODG). We have also provided input or training for a number of local authorities. We have widened the range of providers we work with and consult including the Anchor Trust, the Elizabeth Finn care homes, the Order of St John Care Trust, the Salvation Army and WCS, among others. Also, for the first time, we made presentations at fringe events at both the Conservative and Labour Party conferences.

Media

We continue to have good links with the media and have appeared on a number of Radio 4's *You and Yours* programme, national TV and local and national radio broadcasts as well as developing new relationships with the national press. We have also contributed articles to the social care press on a range of topics.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

Volunteers

We have continued to benefit from the generous contributions to the charity of excellent volunteers: Janice Gardner, Francesca Grandi, Nadav Lavie, Stephen Lowe, Ernest Muller, Georges Olivier, Sue Toole, Devika Vadher, Bob Walters, David Watson and Clare Yates have all made valuable contributions to our work throughout the year.

Staff and Trustees

As usual, thanks are due to our superb staff and the combined efforts of the Trustees who have made our work possible this year.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

FINANCIAL REVIEW

The Statement of Financial Activities showed a net deficit of £6,579 (2018 – surplus £2,982,854) for the year and reserves stand at £3,013,559 (2018 - £3,020,138).

Principal funding sources

The main funding sources for the Charity are from charitable foundations, bequests, contract work, membership and sales of resources.

FUTURE ACTIVITIES

Trustees reviewed our governing documents and decided that we would widen our Helpline service to cover domiciliary care more fully, in particular where transitions to residential care are involved. We also intend to examine and explore ways of making the charity more visible and better known, so that it can be accessed more easily by those who need our services.

Fundraising activities

No costs were incurred by the charity in making applications for funds from charitable funds.

Reserves policy

The trustees have reviewed the reserves of the Association and its basic aim remains as in previous years to build and maintain in hand at all times unrestricted general funding reserves equivalent to not less than three to six months operating costs. The trustees regard this as the prudent minimum level for continuing normal operations while income and expenditure both inevitably fluctuate. At 31 March 2019, unrestricted funds not designated or invested in tangible fixed assets were £2,968,563 (2018 - £1,571,563).

In the previous year, a separate designated fund, Lampard Watt – New Property Fund of £1,400,000, for the possible purchase of a suitable property to provide a secure base had been established. The trustees have reconsidered the matter and it was decided that the option of purchasing a property would not be the best use of resources to further our purpose and activities. It was agreed that in the short to medium term the returns on the funds if added to the investment fund would provide regular additional income to support operating activities. Consequently this amount has been transferred to General fund. It is anticipated that this will provide investment income that will more closely match our expenses in the following year once invested.

During the year capital distributions from the Lampard Watt bequest mentioned elsewhere in this report had a major effect on the Association's funding. The funds received from this most generous gift are unrestricted but the trustees have determined to keep them separately identified from the Association's general funding reserves, at least in the short to medium term; in part as an investment reserve within general funds to provide a regular return to support its operating activities. The market value of this investment at 31 March 2019 was £1,454,056.

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FOR THE YEAR ENDED 31ST MARCH 2019

The trustees have also designated internal reserves within the Association's unrestricted funds for particular projects, purposes or contingent liabilities, as detailed in the accounts note 15. The amounts have been reviewed and the trustees consider these prudent.

Investment powers and policy

Under its Memorandum and Articles of Association, the Charity has the power to invest in any way the trustees think fit for the investment of charitable funds.

On 14 December 2017 the trustees adopted a formal Investment Policy for the management of the Lampard Watt investment reserve which has been agreed with and implemented by the appointed investment advisers and managers, Charles Stanley & Co. Short term cash reserves are invested on deposit with banks or institutions approved for the purpose of holding charity funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Relatives and Residents Association (the word 'Limited' being omitted by licence from the then Department of Trade) is a Charity, which is registered under the Companies Act 2006 as a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 28th April 1993 and became a registered Charity on 30th April 1993. It is constituted as a company limited by guarantee under the Memorandum and Articles of Association. The Charity registration number is 1020194 and the company registration number is 02813362.

Appointment of trustees

All trustees are elected for three years, with one third being subjected to election each year at the Annual General Meeting. The officers are subject to election each year.

The trustees are also the Directors of the company. The trustees in office in the year are set out on page 2. The Board has the power to appoint additional trustees. In accordance with the Articles of Association, officers were duly elected by the Annual General Meeting held on 4 April 2019 and two new trustees were elected.

The trustees have no beneficial interest in the company other than as members.

Organisation

The trustees meet regularly in order to manage the affairs of the Charity. The officers meet more frequently to deal with personnel and finance issues. Day to day running of the Charity is the responsibility of the Chair and Acting Chief Executive who manages the staff and reports regularly to the officers and Board of Trustees.

Related parties

The Charity works collaboratively with several other voluntary and not-for-profit organisations in pursuing its charitable activities.

Risk management

Risks have been re-assessed and a register compiled and kept up-to-date. Systems are established to mitigate any major risks to which the Charity is exposed. Policies and procedures across the range of the Charity's operation have been reviewed, revised where appropriate, and updated by the Board, this also applies to the Charity's business plan.

Charitable and political donations

During the year the company made no political or charitable donations.

THE RELATIVES AND RESIDENTS ASSOCIATION

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Company Number: 02813362

Charity Number: 1020194

Trustees / directors

Ms Judy Downey – Chair

Ms Patricia Davies – Deputy Chair

Dr Susan Chesters

Mr Nariman Gandhi – Treasurer – Appointed 14/03/2019

Mr Richard Hawes – Appointed 14/03/2019

Mr Desmond Kelly

Ms Emma Jones

Ms Veronica Monks – Appointed 19/06/2018

Ms Sheila Lycholit – Resigned 01/12/2018

Mr Patrick Howell – Resigned 27/11/2018

Mr Dilip Agarwal – Resigned 13/09/2018

Senior Management: Ms Judy Downey - CEO

Registered Office: 1 The Ivories, 6-18 Northampton Street, London N1 2HY

Independent Examiner: David Terry FCA, Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA

Bankers: The Co-operative Bank Plc., P.O. Box 250, Delf House, Southway, Skelmersdale WN8 6WT
Aldermore Bank plc, Lynch Wood, Peterborough PE2 6FZ

Investment Managers: Charles Stanley & Co. Ltd, 55 Bishopgate, London EC2N 3AS

Trustees' responsibilities in relation to the financial statements

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

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

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

The trustees are responsible for keeping 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.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

Preparation of the report

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

APPROVAL

This report was approved by the Board of Trustees and signed on its behalf by:

MRS JUDY DOWNEY
CHAIR

20 DECEMBER 2019



INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE RELATIVES AND RESIDENTS ASSOCIATION

I report on the accounts of the company for the year ended 31st March 2019.

Respective responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**D TERRY – CHARTERED ACCOUNTANT
RAMON LEE LTD
93 TABERNACLE STREET
LONDON EC2A 4BA**

20 DECEMBER 2019

THE RELATIVES AND RESIDENTS ASSOCIATION
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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Income					
Donations and legacies	2	10,164	9,999	20,163	3,141,944
Income from charitable activities	3	71,051	5,000	76,051	110,823
Investment income	4	55,853	-	55,853	23,356
Total income		<u>137,068</u>	<u>14,999</u>	<u>152,067</u>	<u>3,276,123</u>
Expenditure					
Costs of generating funds	5	15,101	-	15,101	5,070
Expenditure on charitable activities	5	141,667	14,999	156,666	138,544
Total expenditure		<u>156,768</u>	<u>14,999</u>	<u>171,767</u>	<u>143,614</u>
Net income/(expenditure) and net movement in funds before gains and losses on investments		(19,700)	-	(19,700)	3,132,509
Net losses on investments	7	13,121	-	13,121	(149,655)
Net movement in funds		<u>(6,579)</u>	<u>-</u>	<u>(6,579)</u>	<u>2,982,854</u>
Reconciliation of funds					
Total funds, brought forward		3,005,138	15,000	3,020,138	37,284
Total funds, carried forward		<u>2,998,559</u>	<u>15,000</u>	<u>3,013,559</u>	<u>3,020,138</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the above movement in funds for the above two financial years.

The notes on pages 12 to 21 form part of these accounts.

THE RELATIVES AND RESIDENTS ASSOCIATION
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BALANCE SHEET AS AT 31ST MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	2		2	
Investments	12	<u>1,454,056</u>	1,454,058	<u>1,452,504</u>	1,452,506
Current assets					
Debtors	13	33,112		131,110	
Cash at bank and in hand		1,568,614		1,484,734	
		<u>1,601,726</u>		<u>1,615,844</u>	
Liabilities					
Creditors falling due within one year	14	<u>(42,225)</u>		<u>(48,212)</u>	
Net Current Assets			1,559,501		1,567,632
Net assets			<u><u>3,013,559</u></u>		<u><u>3,020,138</u></u>
The funds of the charity:					
Unrestricted funds:					
General	15		2,968,563		1,571,565
Designated	15		29,996		1,433,573
Restricted funds	15		15,000		15,000
Total charity funds			<u><u>3,013,559</u></u>		<u><u>3,020,138</u></u>

For the financial year ended 31st March 2019 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as is applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and Trustees on 20th December 2019 and were signed on its behalf by:

.....  **MRS JUDY DOWNEY (CHAIR)**

Company No: 02813362

The notes on pages 12 to 21 form part of these accounts.

THE RELATIVES AND RESIDENTS ASSOCIATION
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

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) – (Charity SORP (FRS 102) Revised), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Relatives and Residents Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going concern basis

Subsequent to the balance sheet date, the Charity received a substantial legacy, which will provide a sound financial base for the future.

1.3 Income recognition

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- (a) Income received by way of donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Legacies entitlement is taken as the earlier of the date on which either: the Charity is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that the distribution is made, or when a distribution is received from the estate.
- (c) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (d) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of donations and legacies as shown under note 2. Performance related grants and donations which have conditions for a specific outcome are include as Income from Charitable Activities as shown in Note 3.
- (e) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.
- (f) Resources income is recognised as earned (that is, as the related goods are provided).
- (g) Membership fees credited to income on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (h) Investment income is included when receivable.

1.4 Volunteers and donated services, facilities and goods

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Charity is not recognised in the main body of the financial accounts but detail is contained in the trustees report.

On receipt, donated professional services, donated facilities and goods are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

THE RELATIVES AND RESIDENTS ASSOCIATION
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

1.5 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Costs of raising funds comprise the costs of seeking grants and donations and other trading activities that raise funds and their associated support costs.
- (b) Expenditure on charitable activities include expenditure associated with the main objectives of the Charity and include both direct costs and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

1.7 Funds structure

- The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the management board.
- Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.
- The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.8 Operating leases

The Charity classifies the lease of property as an operating lease. The rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease duration. No assets are held under hire purchase agreements.

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Computer equipment	25% on cost
Office equipment	25% on cost

1.10 Realised / unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.11 Investments

Investments comprise assets held to generate future income and include cash balances. All investment assets are shown on the balance sheet at market value at the balance sheet date. The market value has been determined by the Independent Investment Portfolio Managers. Realised gains and losses arising on the revaluation of investment assets are included in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

THE RELATIVES AND RESIDENTS ASSOCIATION
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

1.12 Debtors

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

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short term cash deposits.

1.14 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.

1.15 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Judgement and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.17 Taxation

The Charity is a registered Charity and, therefore, is not liable to Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.18 Cash flow statement

The charitable company qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 1, not to prepare a cash flow statement.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
CSiS Charity Fund	-	6,666	6,666	-
Anonymous Trust	-	3,333	3,333	-
Ericson Trust	-	-	-	4,000
Rosemary Watt - legacy	5,968	-	5,968	3,134,050
Other donations under £1,000	4,196	-	4,196	3,894
	<u>10,164</u>	<u>9,999</u>	<u>20,163</u>	<u>3,141,944</u>

The donations and legacies income in 2018 totalling £3,141,944 was attributed to unrestricted funds.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Projects & development				
Grants and donations:				
CSiS Charity Fund - Developing practice guides	-	-	-	15,000
CSiS Charity Fund - Audiology video	-	-	-	15,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Helpline activities				
Grants and donations:				
The Allen Lane Foundation	-	5,000	5,000	5,000
Contract income:				
Care Quality Commission	29,916	-	29,916	32,409
	<u>29,916</u>	<u>5,000</u>	<u>34,916</u>	<u>37,409</u>
Resources				
Resources sales	3,588	-	3,588	1,133
Grants and donations:				
Individuals - Donations in kind	25,000	-	25,000	37,000
	<u>28,588</u>	<u>-</u>	<u>28,588</u>	<u>38,133</u>
Membership services				
Membership fees	12,547	-	12,547	4,617
	<u>12,547</u>	<u>-</u>	<u>12,547</u>	<u>4,617</u>
Conferences, events & training				
Training income	-	-	-	664
	<u>-</u>	<u>-</u>	<u>-</u>	<u>664</u>
	<u>71,051</u>	<u>5,000</u>	<u>76,051</u>	<u>110,823</u>

The income from charitable activities in 2018 totalling £110,823 was attributed to £90,823 unrestricted funds and £20,000 restricted funds.

The charity is indebted to a number of individuals for providing the following pro bono services throughout the year:

- an editor and experienced media producer for editorial work on our projects and publications, as well as attending meetings and conferences on our behalf in relation to those projects;
- a graphic designer for providing free and reduced rates for publications, promotional material and attendance at meetings and conferences;
- a freelance PR consultant for media and promotional work;
- a social care professional for commenting on responses and contributing to consultations and publications;
- a former BBC documentary film producer for filming related to our project work and publications and contributing to planning and project meetings.

The aggregate value placed on these contributions by the trustees for the year is £25,000 (2018 - £37,000). The income equivalents are recognised within income from charitable activities as donations, and corresponding charges included within expenditure as other direct costs.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

4. INVESTMENT INCOME

	Unrestricted Funds	2019	2018
	£	£	£
Bank deposit interest	2,164	2,164	3,691
Dividend income	53,690	53,690	19,665
	55,853	55,853	23,356

The investment income in 2018 totalling £23,356 was attributed to unrestricted funds.

5. ANALYSIS OF EXPENDITURE

	Raising funds	Projects & development	Helpline activities	Resources	Conferences, events & training	2019	2018
	£	£	£	£	£	£	£
Staff costs	1,507	10,658	35,722	4,851	1,507	54,245	52,172
Conferences and events	-	-	-	-	1,340	1,340	-
Volunteer expenses	-	-	619	-	-	619	374
Other direct costs	-	6,055	-	25,000	-	31,055	39,398
Investment management fees	10,865	-	-	-	-	10,865	1,960
Exchange differences	703	-	-	-	-	703	288
Support costs (Note 7)	1,931	13,516	46,340	5,793	1,931	69,511	41,611
Governance costs (Note 7)	95	667	2,286	286	95	3,429	7,811
	15,101	30,896	84,967	35,930	4,873	171,767	143,614

Of the £171,767 expenditure in 2019 (2018 - £143,614), £156,768 was charged to unrestricted funds (2018 - £138,614) and £14,999 to restricted funds (2018 - £5,000).

6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the Charity's key activities undertaken (see note 5) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of staff time allocated to each activity.

	General support	Governance function	2019	2018
	£	£	£	£
General office staff costs	6,027	-	6,027	5,797
Management staff costs	9,999	-	9,999	-
Premises and office costs	32,258	-	32,258	24,176
Communication costs	3,004	-	3,004	2,729
Information technology	2,940	-	2,940	1,857
Professional expenses	12,760	-	12,760	7,728
Insurance	1,269	-	1,269	1,251
Miscellaneous expenses	1,254	-	1,254	593
Trustees expenses	-	549	549	491
Audit fees	-	-	-	4,800
Independent Examination	-	2,880	2,880	-
	69,511	3,429	72,940	49,422

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

7. GAINS / (LOSSES) ON INVESTMENT ASSETS

	Unrestricted Funds	2,019	2018
	£	£	£
Realised gain on sale of investment	12,984	12,984	105,984
Unrealised losses on year end valuation	137	137	(255,639)
	13,121	13,121	13,121
	13,121	13,121	13,121

8. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2019	2018
	£	£
This is stated after charging:		
Independent auditor	-	4,800
Independent examination	2,880	-
Depreciation	-	231
Operating lease – rent	28,835	21,379
	28,835	21,379
	28,835	21,379

9. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

STAFF COSTS	2019	2018
	£	£
Salaries	64,883	55,173
National Insurance	2,961	2,362
Pension	2,427	434
	70,271	57,969
	70,271	57,969

There were no employees whose annual emoluments were £60,000 or more. The key management personnel of the Charity comprises the chair of trustees. She was not employed or paid fees by the Charity.

During the year no trustees received any remuneration (2018 - £nil). Four trustees received reimbursement of travel expenses amounting to £437 (2018 – Two trustee £355).

10. STAFF NUMBERS

The average weekly equivalent full time number of staff employed by the Charity during the period was as follows:

	2019	2018
Direct charitable work	2	2
	2	2
	2	2

The average monthly number of persons employed by the charity during the year was two (2018 – two).

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

11. TANGIBLE FIXED ASSETS

	2019	2018
NET BOOK VALUES	£	£
Computer equipment	1	1
Office equipment	1	1
	2	2

MOVEMENTS IN YEAR

<u>Cost</u>	Opening Balances	Additions	Disposals	Closing Balances
	£	£	£	£
Computer equipment	2,511	-	-	2,511
Office equipment	3,000	-	-	3,000
	5,511	-	-	5,511
<u>Depreciation</u>	Opening Balances	Charge For Year	Disposals	Closing Balances
	£	£	£	£
Computer equipment	2,510	-	-	2,510
Office equipment	2,999	-	-	2,999
	5,509	-	-	5,509

12. INVESTMENTS

	2019	2018
	£	£
Market value, brought forward	1,440,679	-
Additions	105,868	2,494,342
Disposals	(111,619)	(904,008)
Realised gain	12,984	105,984
Unrealised losses	137	(255,639)
Market value, carried forward	1,448,049	1,440,679
Cash held as part of portfolio	6,007	11,825
Total investments	1,454,056	1,452,504
Historic cost	1,500,877	1,504,609

All of the above investments are allocated as follows:

Investments at fair value comprises:

UK index-linked gilts	47,462	62,891
UK equities	1,091,243	1,029,177
Overseas equities	309,344	348,611
Cash held within the investment portfolio	6,007	11,825
	1,454,056	1,452,504

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

13. DEBTORS

	2019	2018
	£	£
Grant and contract debtors	22,759	38,048
Gift Aid tax receivable	610	452
Prepayments and accrued income	1,000	85,272
Other debtors	8,743	7,338
	33,112	131,110

14. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	305	189
Taxation and social security	1,369	1,371
Accruals	3,525	5,302
Deferred income (note 17)	37,026	41,350
	42,225	48,212

15. ANALYSIS OF CHARITABLE FUNDS

	Balance at 01.04.18	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 31.03.19
	£	£	£	£	£	£
Restricted Funds:						
The Allen Lane Foundation	-	5,000	5,000	-	-	-
CSiS Charity Fund - Audiology	15,000	-	-	-	-	15,000
CSiS Charity Fund	-	6,666	6,666	-	-	-
Anonymous Trust	-	3,333	3,333	-	-	-
Total restricted funds	15,000	14,999	14,999	-	-	15,000
Unrestricted funds:						
Designated Funds:						
Lampard Watt - New Property Fund	1,400,000	-	-	-	(1,400,000)	-
Staff Commitment Fund	9,823	-	-	-	-	9,823
Publications funds	23,750	-	3,577	-	-	20,173
	1,433,573	-	3,577	-	(1,400,000)	29,996
General funds	1,571,565	137,068	153,191	13,121	1,400,000	2,968,563
Total unrestricted funds	3,005,138	137,068	156,768	13,121	1,400,000	2,998,559
Total funds:	3,020,138	152,067	171,767	13,121	-	3,013,559

Description, nature and purpose of restricted funds:

Allen Lane Foundation – This funding is towards helpline salary costs.

CSiS Charity Fund – Audiology resources – This funding is for the development of resources on caring for the special needs of older people with hearing difficulties or impairment. Work on this project has begun and it is intended to be completed and the funds fully applied as soon as practicable.

CSiS Charity Fund - Grant income received towards the cost of succession planning.

Anonymous Trust - Grant income received towards the cost of succession planning.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

Description, nature and purpose of unrestricted funds:

Unrestricted Funds - General: General Funds represents the balance of the unrestricted funds available to be applied as the trustees in their discretion think fit towards attaining the charitable objects and purposes of the Association after allowing for all the designated funds.

The Lampard Watt bequest had a major effect on the Association's funding. The funds received from this most generous gift are unrestricted but the trustees have determined to keep them separately identified from the Association's general funding reserves, at least in the short to medium term; in part as an investment reserve to provide a regular return to support its operating activities. The Lampard Watt investment was valued at £1,454,056, per quoted investment valuation at 31.03.19. The previously designated property fund will be added to the investment reserve.

Unrestricted Funds - Designated:

Publications funding reserve - This funding represents the balance in hand of unrestricted funding grants (in particular from the CSIS Charity Fund) intended to support development and maintenance of the Association's new resources to support care workers and relatives.

Staff Commitment Fund - Represents the Association's provision for the cost of payments due to staff if redundancy notices had to be issued. This is purely contingent and no actual liability is expected to arise in the period.

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	2	-	-	2
Investments	1,454,056	-	-	1,454,056
Net current assets	1,514,505	29,996	15,000	1,559,501
	<u>2,968,563</u>	<u>29,996</u>	<u>15,000</u>	<u>3,013,559</u>

17. DEFERRED INCOME

	2019 £	2018 £
Balance as at 1st April	41,350	38,168
Amount released to income in the year	(9,999)	(2,493)
Amount deferred in the year	5,675	5,675
Balance as at 31st March	<u>37,026</u>	<u>41,350</u>

Deferred income comprises:

- Grant income received from CSIS Charity Fund of £23,334 towards the cost of succession planning. The grant is deferred in the 2019/19 accounts. Permission to carry forward the grant has been approved by the funder.
- Grant income received from an Anonymous Trust of £13,692 towards the cost of succession planning. Permission to carry forward the grant has been approved by the funder.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

18. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital divided by shares.

19. OTHER FINANCIAL COMMITMENTS

The Charity has operating lease commitments as shown below:

	2019	2018
	Rent	Rent
	£	£
Less than one year	32,634	26,548
Two to five years	17,948	42,152
	<u>50,582</u>	<u>68,700</u>