

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

**DIRECTORS AND TRUSTEES REPORT  
AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**Company No: 02813362**  
**Charity No: 1020204**

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

**REPORT AND ACCOUNTS**

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

**DIRECTORS' AND TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31ST MARCH 2020**

The trustees are pleased to present their annual directors' report together with the financial statements of the Charity for the year ended 31st March 2020, 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).

### **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 law, 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.

### **KEY DEVELOPMENTS IN THE LAST YEAR**

The receipt of the Lampard Watt legacy continues to provide the charity with financial security and has allowed the charity to develop further. Towards the end of the year, trustees were delighted to appoint Helen Wildbore as our new Chief Executive. We are grateful for the support of the CSIS Charity Fund and an anonymous funder in enabling this appointment. Helen has a background in human rights research and practice and has made an excellent start in supporting trustees to plan for a new future. Following soon after her appointment, the impact of the Covid-19 pandemic on care settings became a major preoccupation for the charity. It was clear that R&RA's services would be in even greater demand at the end of the financial year and into the next. She has enabled our Helpline to continue to perform a vital role, in supporting residents and their relatives and friends throughout this challenging time and enabling their voices to be amplified and heard.

The Trustees began to consider property options for the charity last year and explored a number of options. A centrally located property which will meet our current needs, with room for expansion was identified and a lease has been assigned subsequent to the financial year end.

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**ACHIEVEMENTS AND PERFORMANCE**

**Helpline**

Our daily helpline remains at the heart of all we do. It supplies information, advice and support to callers with questions or concerns about older people in or needing care. Calls during the year continued to reflect the trend in recent years. We support increasing numbers of families facing complex dilemmas. Many continue to be wary of repercussions if they raise their concerns. Some do not wish to risk moving people at the end of their lives or challenge the status quo due to the threat of eviction. Broader problems in the care sector present continuing concerns to our callers. In particular, the high turnover of both managers and staff, resulting in over reliance on agency staff and loss of continuity for those receiving care.

Delivering a quality, efficient service as well as increasing and diversifying our reach remain strategic priorities for us. These feature prominently in our new strategic plan for the next three years.

**Helpline data in percentages**

	2019/20 %	2018/19 %
<b>Problems with care</b>		
• Care concerns	30	25
• Human rights	15	15
• Evictions	1	2
• Poor management	14	16
<b>Total</b>	<b>60</b>	<b>58</b>
<b>Other:</b>		
• Financial	9	12
• Admission	7	5
• Legal	13	15
• General	11	10
<b>Total</b>	<b>40</b>	<b>42</b>
<b>TOTAL</b>	<b>100</b>	<b>100</b>

The issues raised on our helpline are broadly in line with trends in recent years. 'Care concerns' continues to increase as a theme within our helpline calls. This category includes calls related to care standards, quality and safety. Although calls about 'legal' topics continue to fall, there has been an increase in calls about the powers of local authorities.

**Influencing public, political and professional opinion**

**Work with CQC**

We meet regularly with CQC and attend meetings and co-production groups with them.

'Tell us about your care home' – This project was set up to ensure that the regulator was informed about callers' serious concerns or breaches of the regulations. In turn, CQC is committed to inform us about their responses to these alerts. We are anxious to help improve the timeliness and detail of their feedback to us.

**Improving dental care for older people – Keep Smiling**

R&RA's resource, *Keep Smiling: mouth and teeth care for older people* has been welcomed and has now been augmented by an app and video which should improve its usefulness and accessibility. We are extremely grateful to the staff and residents of the Cotswold Home in Burford (Elizabeth Finn Homes) for working with us. We continue to work with the Dementia Friendly Dentistry Group, Health Education England (HEE) and the NHS *Enhanced Health in Care Homes* programme to promote better mouth and teeth care.

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**Improving practice**

R&RA's app for care workers, *Keys to Care*, supporting them to deliver quality care to older people on the move, has been independently reviewed.

**Fighting for fairer terms and conditions**

We continue to co-operate with the Competition and Markets Authority (CMA) as they build on their actions to stop care home residents being treated unfairly and maintain their focus on vulnerable consumer groups.

**Work and meetings with other organisations**

We are members of the Care Support Alliance (CSA) and the National Care Forum (NCF), an organisation representing not-for-profit providers. We continue to meet with a wide range of statutory, not for profit and other organisations. We have renewed our links with the RCN and the Residential Forum as well as making new contacts with Action for Elders (Wales), Care Home Volunteers (CHV) and others.

We are also grateful to Charles Stanley for the generous use of their premises for trustee meetings.

**Media**

We have good media links which have resulted in a large number of radio and television appearances as well as wide coverage of our work and campaigns in print journalism.

**Volunteers**

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

**Staff and Trustees**

As usual, thanks are due to our superb staff and director 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 £683,031 (2019 – deficit £6,579) for the year and reserves stand at £2,230,528 (2019 - £3,013,559). The deficit for the year includes investment losses of £690,886 (2019 – gain £13,121). The financial position at the year revealed by the Balance Sheet on page 11 shows net current assets or working capital of £382,106(2019 – £1,559,501). The net book value of tangible fixed assets held, all of which are used directly for charitable purposes, amounted to £1,569 (2019 – £2). The market value of investments were £1,946,853 (2019-£1,454,056).

**Principal funding sources**

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

**FUTURE ACTIVITIES**

A new three-year strategic plan for 2020-2023 is helping to steer the direction and priorities of the charity in what has already proved to be an exceptionally demanding year. Trustees are confident that the organisation has sufficient resources for the foreseeable future.

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

The coronavirus pandemic has had a devastating impact on older people needing care and the family and friends who support them. It has also had a major impact on us. We have had to adapt our working practices to work at home from the end of our lease and to cope with the subsequent pressures of the pandemic. We have continued throughout to ensure that our vital services were available to support as many families as possible during this difficult time.

**Reserves policy**

The trustees have reviewed the reserves of the charity 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. As at the year end accounts showed reserves of £2,230,528 (2019 - £3,013,559), of which £12,347 (2019 - £15,000) was restricted. In addition, the Trustees have set aside designated funds totalling £221,225 (2019 - £29,996) for specific purposes of staff contingency, publications, and premises lease. The unrestricted funds not designated or invested in tangible fixed assets were £2,095,387 (2019 - £2,968,563).

The funds received from Lampard Watt bequest in 2017/18 are unrestricted. The trustees have determined to keep them separately identified from the charity's general 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. It was agreed that in the short to medium term the returns on the cash deposits if added to the investments would provide regular additional income to support operating activities. It is anticipated that this will provide investment income that will more closely match our expenses in the following year once invested. The market value of this investment at 31 March 2020 was £1,946,853.

**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 28<sup>th</sup> April 1993 and became a registered Charity on 30<sup>th</sup> April 1993. It is constituted as a company limited by guarantee under the Memorandum and Articles of Association. The Charity registration number is 1020204 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 2020 and two new trustees were elected.

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

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**Organisation**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Company Number:** 02813362

**Charity Number:** 1020204

**Trustees / directors**

Ms Judy Downey – Chair

Ms Patricia Davies – Deputy Chair

Dr Susan Chesters

Mr Nariman Ghandhi – Treasurer

Mr Richard Hawes

Mr Desmond Kelly

Ms Emma Jones - Resigned 16/01/2020

Ms Veronica Monks

**Senior Management:** Ms Judy Downey – Chief Executive Officer – Resigned 02/10/2019  
Ms Helen Wildbore - Chief Executive Officer – Appointed 03/10/2019

**Registered Office:** 93 Tabernacle Street, London EC2A 4BA

**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).

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

**DIRECTORS' AND TRUSTEES' REPORT (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

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.

**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**

**15<sup>TH</sup> DECEMBER 2020**



**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 31<sup>st</sup> March 2020.

**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**

**15<sup>TH</sup> DECEMBER 2020**

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31ST MARCH 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<b>Income</b>					
Grants, donations and legacies	2	18,671	28,305	46,976	20,163
Income from charitable activities	3	50,484	-	50,484	76,051
Investment income	4	78,061	-	78,061	55,853
<b>Total income</b>		<u>147,216</u>	<u>28,305</u>	<u>175,521</u>	<u>152,067</u>
<b>Expenditure</b>					
Costs of generating funds	5	21,568	-	21,568	15,101
Expenditure on charitable activities	5	115,140	30,958	146,098	156,666
<b>Total expenditure</b>		<u>136,708</u>	<u>30,958</u>	<u>167,666</u>	<u>171,767</u>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		10,508	(2,653)	7,855	(19,700)
<b>Net losses on investments</b>	7	(690,886)	-	(690,886)	13,121
<b>Net movement in funds</b>		<u>(680,378)</u>	<u>(2,653)</u>	<u>(683,031)</u>	<u>(6,579)</u>
<b>Reconciliation of funds</b>					
Total funds, brought forward		2,998,559	15,000	3,013,559	3,020,138
<b>Total funds, carried forward</b>		<u>2,318,181</u>	<u>12,347</u>	<u>2,330,528</u>	<u>3,013,559</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 11 to 20 form part of these accounts.

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**BALANCE SHEET AS AT 31ST MARCH 2020**

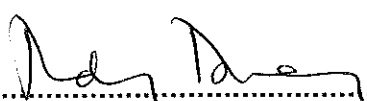
	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11	1,569		2	
Investments	12	<u>1,946,853</u>	1,948,422	<u>1,454,056</u>	1,454,058
<b>Current assets</b>					
Debtors	13	28,825		33,112	
Cash at bank and in hand		370,134		1,568,614	
		<u>398,959</u>		<u>1,601,726</u>	
<b>Liabilities</b>					
Creditors falling due within one year	14	<u>(16,853)</u>		<u>(42,225)</u>	
<b>Net Current Assets</b>			382,106		
<b>Net assets</b>			<u>2,330,528</u>		
<b>The funds of the charity:</b>					
Unrestricted funds:					
General	15		2,096,956		2,968,563
Designated	15		221,225		29,996
Restricted funds	15		12,347		15,000
<b>Total charity funds</b>			<u>2,330,528</u>		
				<u>3,013,559</u>	

For the financial year ended 31<sup>st</sup> March 2020 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 15<sup>th</sup> December 2020 and were signed on its behalf by:

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

**Company No: 02813362**

The notes on pages 11 to 20 form part of these accounts.

**THE RELATIVES AND RESIDENTS ASSOCIATION**  
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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**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 2019), 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**

The Charity's Financial Statements shows a net deficit of £683,031 including an investment revaluation loss of £748,111 for the year and free reserves of £2,095,387. The total expenditure for the year was £167,666. The trustees are of the view that these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

**1.3 Income recognition**

All income is included in the consolidated SOFA when the charity is legally entitled to it, receipt is probable and the amount can be measured with sufficient reliability.

**Grant income**

Grants are credited to the SOFA when the charity is entitled to the funds. Income is only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

**Donations and legacies**

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

**Contract income**

Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.

**Investment income**

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 2020**

**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 2020**

**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. GRANTS, DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
CSiS Charity Fund	15,000	18,871	33,871	6,666
Anonymous Trust	-	9,434	9,434	3,333
Rosemary Watt - legacy	-	-	-	5,968
Other donations under £1,000	3,671	-	3,671	4,196
	<u>18,671</u>	<u>28,305</u>	<u>46,976</u>	<u>20,163</u>

The donations and legacies income in 2019 totalling £20,163 was attributed to unrestricted funds of £10,164 and restricted funds of £9,999.

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	2020 £	2019 £
<b>Helpline activities</b>			
Grants and donations:			
The Allen Lane Foundation	-	-	5,000
Contract income:			
Care Quality Commission	29,916	29,916	29,916
	<u>29,916</u>	<u>29,916</u>	<u>34,916</u>
<b>Resources</b>			
Resources sales	1,647	1,647	3,588
Grants and donations:			
Individuals - Donations in kind	7,000	7,000	25,000
	<u>8,647</u>	<u>8,647</u>	<u>28,588</u>
<b>Membership services</b>			
Membership fees	11,921	11,921	12,547
	<u>11,921</u>	<u>11,921</u>	<u>12,547</u>
Total income from charitable activities	<u>50,484</u>	<u>50,484</u>	<u>76,051</u>

The income from charitable activities in 2019 totalling £76,051 attributed to £71,051 unrestricted funds and £5,000 restricted funds.

The charity is indebted to a number of individuals for providing the pro bono services throughout the year. The aggregate value placed on these contributions by the trustees for the year is £7,000 (2019 - £25,000). The income equivalents are recognised within income from charitable activities as donations, and corresponding charges included within expenditure as other direct costs.

**4. INVESTMENT INCOME**

	Unrestricted Funds £	2020 £	2019 £
Bank deposit interest	14,410	14,410	2,163
Dividend income	63,651	63,651	53,690
	<u>78,061</u>	<u>78,061</u>	<u>55,853</u>

The investment income in 2019 totalling £55,853 was attributed to unrestricted funds.

**5. ANALYSIS OF EXPENDITURE**

	Raising funds £	Projects & development £	Helpline activities £	Resources £	Membership services £	Conferences, events & training £	2020 £	2019 £
Staff costs	2,920	12,603	46,192	6,521	2,581	2,920	73,736	54,245
Conferences and events	-	-	-	-	-	-	-	1,340
Volunteer expenses	-	-	296	-	-	-	296	619
Other direct costs	-	5,532	-	7,000	-	-	12,532	31,055
Investment management fees	16,046	-	-	-	-	-	16,046	10,865
Exchange differences	-	-	-	-	-	-	-	703
Support costs (Note 7)	2,277	10,246	35,291	4,554	2,277	2,277	56,922	69,511
Governance costs (Note 7)	325	1,464	5,045	651	325	325	8,135	3,429
	<u>21,568</u>	<u>29,845</u>	<u>86,823</u>	<u>18,726</u>	<u>5,183</u>	<u>5,522</u>	<u>167,666</u>	<u>171,767</u>

Of the £167,666 expenditure in 2020 (2019 - £171,767), £136,708 was charged to unrestricted funds (2019 - £156,768) and £30,958 to restricted funds (2019 - £14,999).

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**NOTES TO THE ACCOUNTS (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**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	2020	2019
	£	£	£	£
General office staff costs	6,519	-	6,519	6,027
Management staff costs	3,871	3,871	7,742	9,999
Premises and office costs	34,620	-	34,620	32,258
Communication costs	2,182	-	2,182	3,004
Information technology	2,496	-	2,496	2,940
Professional expenses	5,225	804	6,029	12,760
Insurance	1,000	-	1,000	1,269
Depreciation	523	-	523	-
Miscellaneous expenses	486	-	486	1,254
Trustees expenses	-	580	580	549
Independent Examination	-	2,880	2,880	2,880
	<u>56,922</u>	<u>8,135</u>	<u>65,057</u>	<u>72,940</u>

**7. GAINS / (LOSSES) ON INVESTMENT ASSETS**

	Unrestricted Funds	2020	2019
	£	£	£
Realised gain on sale of investment	57,125	57,125	12,984
Unrealised losses on year end valuation	(748,011)	(748,011)	137
	<u>(690,886)</u>	<u>(690,886)</u>	<u>13,121</u>

**8. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	2020	2019
	£	£
Independent examination	2,880	2,880
Operating lease – rent	<u>30,623</u>	<u>28,835</u>



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**FOR THE YEAR ENDED 31ST MARCH 2020**

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

<b>STAFF COSTS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries	79,768	64,883
National Insurance	5,008	2,961
Pension	3,220	2,427
	<u>87,996</u>	<u>70,271</u>

There were no employees whose annual emoluments were £60,000 or more.

During the year no trustees received any remuneration (2019 - £nil). Four trustees received reimbursement of travel expenses amounting to £501(2019 – Four trustee £437).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £25,806 (2019 - £nil).

**10. STAFF NUMBERS**

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

	<b>2020</b>	<b>2019</b>
Direct charitable work	2.5	2
	<u>2.5</u>	<u>2</u>

The average monthly number of persons employed by the charity during the year was 3 (2019 – 2).

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**11. TANGIBLE FIXED ASSETS**

<b>NET BOOK VALUES</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Computer equipment	1,568	1
Office equipment	1	1
	1,569	2

**MOVEMENTS IN YEAR**

<u>Cost</u>	<b>Opening Balances</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balances</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Computer equipment	2,511	2,090	(1,045)	3,556
Office equipment	3,000	-	-	3,000
	5,511	2,090	(1,045)	6,556
<u>Depreciation</u>	<b>Opening Balances</b>	<b>Charge For Year</b>	<b>Disposals</b>	<b>Closing Balances</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Computer equipment	2,510	523	(1,045)	1,988
Office equipment	2,999	-	-	2,999
	5,509	523	(1,045)	4,987

**12. INVESTMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Market value, brought forward	1,448,049	1,440,679
Additions	1,655,980	105,868
Disposals	(474,651)	(111,619)
Realised gain	57,125	12,984
Unrealised losses	(748,011)	137
Market value, carried forward	1,938,492	1,448,049
Cash held as part of portfolio	8,361	6,007
Total investments	1,946,853	1,454,056
Historic cost	2,717,535	1,500,877

All of the above investments are allocated as follows:

Investments at fair value comprises:

UK index-linked gilts	-	47,462
UK equities	1,447,135	1,091,243
Overseas equities	491,358	309,344
Cash held within the investment portfolio	8,361	6,007
	1,946,853	1,454,056

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**13. DEBTORS**

	2020	2019
	£	£
Grant and contract debtors	21,121	22,759
Gift Aid tax receivable	1,174	610
Prepayments	905	1,000
Other debtors	5,625	8,743
	<u>28,825</u>	<u>33,112</u>

**14. CREDITORS: amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	2,367	305
Taxation and social security	2,833	1,369
Accruals	2,933	3,525
Deferred income (note 17)	8,720	37,026
	<u>16,853</u>	<u>42,225</u>

**15. ANALYSIS OF CHARITABLE FUNDS**

	Balance at 01.04.19	Income	Expenditure	Gains/ (Losses)	Transfers	Balance at 31.03.20
	£	£	£	£	£	£
<b>Restricted Funds:</b>						
CSiS Charity Fund - Audiology	15,000	-	2,653	-	-	12,347
CSiS Charity Fund	-	18,871	18,871	-	-	-
Anonymous Trust	-	9,434	9,434	-	-	-
Total restricted funds	<u>15,000</u>	<u>28,305</u>	<u>30,958</u>	<u>-</u>	<u>-</u>	<u>12,347</u>
<b>Unrestricted funds:</b>						
Designated Funds:						
Staff Commitment Fund	9,823	-	-	-	22,000	31,823
Publications funds	20,173	-	3,351	-	-	16,822
Premises Lease	-	-	-	-	172,580	172,580
	<u>29,996</u>	<u>-</u>	<u>3,351</u>	<u>-</u>	<u>194,580</u>	<u>221,225</u>
General funds	2,968,563	147,216	133,357	(690,886)	(194,580)	2,096,956
Total unrestricted funds	<u>2,998,559</u>	<u>147,216</u>	<u>136,708</u>	<u>(690,886)</u>	<u>(194,580)</u>	<u>2,318,181</u>
<b>Total funds:</b>	<u>3,013,559</u>	<u>175,521</u>	<u>167,666</u>	<u>(690,886)</u>	<u>-</u>	<u>2,330,528</u>

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**15. ANALYSIS OF CHARITABLE FUNDS (continued)**

**Analysis of charitable funds – previous year**

	Balance at 01.04.18 £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Balance at 31.03.19 £
<b>Restricted Funds:</b>						
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	-	-	-
<b>Total restricted funds</b>	<u>15,000</u>	<u>14,999</u>	<u>14,999</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
<b>Unrestricted funds:</b>						
<b>Designated Funds:</b>						
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
	<u>1,433,573</u>	<u>-</u>	<u>3,577</u>	<u>-</u>	<u>(1,400,000)</u>	<u>29,996</u>
General funds	1,571,565	137,068	153,191	13,121	1,400,000	2,968,563
<b>Total unrestricted funds</b>	<u>3,005,138</u>	<u>137,068</u>	<u>156,768</u>	<u>13,121</u>	<u>1,400,000</u>	<u>2,998,559</u>
<b>Total funds:</b>	<u>3,020,138</u>	<u>152,067</u>	<u>171,767</u>	<u>13,121</u>	<u>-</u>	<u>3,013,559</u>

**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.

**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 are unrestricted. 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 £1,946,853, per quoted investment valuation at 31.03.20.

**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.

**Premises lease:** To cover premises commitments of £34,516 per annum for five years for rent, service charge and business rates.

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**FOR THE YEAR ENDED 31ST MARCH 2020**

**16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS**

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	1,569	-	-	1,569
Investments	1,946,853	-	-	1,946,853
Net current assets	148,534	221,225	12,347	382,106
	<u>2,096,956</u>	<u>221,225</u>	<u>12,347</u>	<u>2,330,528</u>

**Analysis of fund balances between net assets – previous year**

	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**

	2020 £	2019 £
Balance as at 1st April	37,026	41,350
Amount released to income in the year	(28,306)	(9,999)
Amount deferred in the year	-	5,675
Balance as at 31st March	<u>8,720</u>	<u>37,026</u>

Deferred income comprises:

- Grant income received from CSIS Charity Fund of £4,463 towards the cost of succession planning. The grant is deferred in the 2020/21 accounts. Permission to carry forward the grant has been approved by the funder.
- Grant income received from an Anonymous Trust of £4,257 towards the cost of succession planning. Permission to carry forward the grant has been approved by the funder.

**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:

	2020 Rent £	2019 Rent £
Less than one year	-	32,634
Two to five years	-	17,948
	<u>-</u>	<u>50,582</u>

**20. RELATED PARTY TRANSACTIONS**

Details of transactions with trustees and senior management are in note 9. There are no other related party transactions.