

United Response

Annual Report and Accounts
2019/20

Charity number: 265249 and 1062 (Isle of Man)
Company registration number: 1133776



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Objectives and activities of the charity

United Response is a national charity that works with adults and young people with learning disabilities or mental health needs. We are a community based organisation working in England and Wales, providing bespoke residential care, supported living, day services and employment support.

Our **mission** is to ensure that individuals with learning disabilities, mental or physical support needs have the opportunity to live their lives to the full.

Our **vision** is a society where everyone has equal access to the same rights and opportunities.

Our **values** are the 'golden thread' running through everything we do. We are: *Creative, Responsive, United, Strong and Honest*. These set out a clear framework for our behaviours and how we approach our work.

How our activities deliver public benefit

All our activities are carried out in support of our charitable objectives. The core of our work is in supporting people with learning disabilities and those with mental health needs, but we also place a significant focus on investing in communities. We facilitate active

community involvement among people we support and we have been increasing our contribution to the wider health and wellbeing agenda. Recent redevelopment of services in York and Richmond, bringing new community hubs, activities and spaces, are notable examples of our commitment to this place-based approach. These re-designed services promote independence, aspiration and active involvement for people with learning disabilities.

We provide services primarily under contracts with local authorities, the NHS and personal budgets. It is central to our ethos and charitable status that we promote and campaign for the wider public benefit of our beneficiaries in terms of equality and citizenship. We have taken into account the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Fundraising

As well as receiving funding from local authorities, we also fundraise by working corporate contacts, grant-giving trusts, supporters and staff to organise and co-

ordinate events and activities both in the local communities where we operate and at major charity events. Apart from communicating with people who have supported us in the past, we use neither direct marketing nor external third parties to raise funds. Income from fundraising represents less than 1% of total income and there have been no complaints about fundraising activity during the year. Many donations relate to specific local community projects and we ensure that expenditure is restricted to these projects and is spent within a reasonable period. We review changes in guidance and legislation related to fundraising, such as the Fundraising Regulator's Code of Fundraising Practice and the changes in GDPR, and we are working to ensure that we are fully compliant.

Code of Conduct

United Response adheres to principles of good governance, in particular the Charity Governance Code. In line with good practice we undertake periodic reviews of our governance, both compliance with requirements and adherence to best practice. This activity is undertaken in part during annual business of the Board and its committees, for example review of committee Terms of Reference and their performance and through more in-depth periodic reviews.

Trustees receive updates from external specialists in the sector at Board Away Days. Over the past year the Board has undertaken a governance review which comprised three parts:

1. A self-assessment against the Charity Code of Governance using the self-assessment framework produced by our legal advisors.
2. An external review led by an experienced charity leader, and a former interim CEO, involving one-on-one interviews with individual Trustees and the Chief Executive.
3. A self-assessment of risk appetite involving individual review by Trustees and senior management followed discussion on the collective risk map.

From these different elements a single Governance Action Plan has been developed. This has a number of actions under the sub-headings: Good Governance Practice; Diversity; Stakeholder Engagement and Impact and Reporting. Progress reviews against the plan will be undertaken regularly by trustees.

Beneficiaries

- Adults and young people with learning disabilities and mental health needs, who are supported by United Response (more than 2,000 individuals)
- Their families, carers and advocates
- The wider disability and mental health community
- The wider communities we work in, especially vulnerable people within them.

Supporting people with learning disabilities and people with autism

We provide a range of support services including:

- Supporting people to live where they choose
- Supported employment and volunteering opportunities, including training
- Many people we support are on the autistic spectrum. Our staff are trained in recognised techniques, so that they can provide effective support
- Life skills – supporting people to develop interests, hobbies and skills, including skills to help manage their own home and money
- Support to develop and maintain relationships with friends and family;
- Accessible communications to support people to speak up

- Advocacy – working with people so they can speak for themselves.

Supporting people with complex needs

- We have particular expertise in working with people with complex needs including those with profound learning disabilities.
- We also support a growing number of people with learning disabilities who also experience mental health difficulties.
- A large proportion of the people we work with have complex behaviour support needs, and we support them to live fulfilled lives as part of their community. We use active support and positive behaviour support techniques.
- Many of the people we support have additional physical or sensory support needs.
- We support people with a range of physical disabilities including impaired motor skills, and profound and complex physical disabilities.

Supporting people with mental health needs

- We support people with a range of mental health needs.
- We provide a variety of mental health services, working in partnership with clinical partners, including community support and outreach, supported living,

supported housing and vocational training.

- Our emphasis is on wellness and recovery, and where possible we focus on early intervention to help prevent more serious problems from occurring.

Supporting young people in transition

- We provide support to young people in transition to help them explore their options, try out new activities, build their skills and to plan for a future of increasing independence.

The way we work

Our approach focuses on getting to understand people's aspirations and helping them to achieve them. We support people to exercise choice and control and empower them to contribute to their own communities.

We have a strong track record of supporting people to build their independence. We build our approach around the preferred routines and activities of each individual we support,

supporting people as active citizens who have the capacity to be engaged in a range of activities. This approach is called 'active support' and is underpinned by our person-centered ethos. This helps our staff to support people to take control of their lives and to develop through new experiences.

We recognise our primary duty is to ensure the people we support remain safe and well, and are protected from abuse. We have procedures for our staff to work with local safeguarding boards and the Care Quality Commission (CQC) to safeguard the people we support. These sit alongside a range of control measures and processes such as risk assessment, person-centred planning and positive behaviour support planning. Our guidance to staff includes a whistle-blowing policy and detailed guidance on the Mental Capacity Act and Deprivation of Liberty (DOLS) legislation and this is supported by regular staff training and highlighting safeguarding practice in internal briefings. We encourage and welcome the involvement of the families and friends of people we support. This in itself acts as a safeguarding measure,

alongside being an essential aspect of the quality of life of people we support.

Trustees' Report 2019/20

The past year has been an important one at United Response. We have held true to our mission to ensure that individuals with learning disabilities or mental health needs have the opportunity to live their lives to the full, whilst at the same time making some significant changes across the organisation. We have remodelled our overall delivery to operate from two regional divisions instead of four, which has improved the efficiency, quality and consistency of the support we provide. We have also enhanced our financial sustainability, in spite of the turbulent times in which we find ourselves, to protect our ability to continue to provide services in the future.

Whilst others and ourselves have continued to deal with the ongoing day-to-day challenges within social care, life as we know it was turned on its head during the closing months of 2019/20 with the global outbreak of the Coronavirus. Despite not taking hold in the UK until the final weeks of this reporting year, the Coronavirus outbreak has gone on to impact the everyday running of United Response, affecting not only our staff, but also the people we support and their families. The dedication and hard work of our colleagues right across the organisation has shone through more than ever during this period of unprecedented challenge, and the Trustees

want to take this opportunity to thank each and every one of them.

During the coming year we will find an appropriate way in which to pay lasting tribute to those involved with United Response who have so sadly lost their lives to Covid-19 – our thoughts are with them, their families and loved ones.

We are incredibly fortunate to have such passionate and creative staff right across England and Wales who, even in the face of adversity, will support and empower the people in our care to live their lives to the full. Our sixth annual survey among people we support and their families last year spoke volumes about the ongoing quality of our employees' work. We pay particular attention to safeguarding vulnerable people, and have further strengthened our governance and reporting over this aspect of our work. Care Quality Commission inspections of our services continue to yield positive results, with nearly 95% of our services rated 'Good' against a peer group average of 86%.

The conclusion of our previous three year strategy, which ran from 2016/17 to 2019/20, positions us to reflect on a three year period of superb work across the organisation. This has not only driven forward good outcomes for people we support, but has also laid the

stepping stone for the next stage in our development. Once we are past the constraints imposed by the current operating environment, we envisage further enhancement and diversification of our service capability. This is in addition to prioritising quality and financial stability, and continuing to speak out on matters affecting the people we support.

Our efforts to secure better rights for our staff and those they support remained a core part of our work in 2019/20, and we continued to lobby Government on the longstanding 'sleep-ins' issue. We have entered 2020/21 awaiting the judgement of a Supreme Court hearing on a potential postponement of the looming threat of the back-pay liability. Expected in the summer of 2020, the outcome would determine if and how any future payment for the sector would be handled.

The Trustees would like to say a special thank you to David Aitman, who will be stepping down at the next AGM from the Board and his role as Audit Committee Chairman. During his nine year tenure, David has made an outstanding contribution to the charity, for which we are extremely grateful.

The Trustees would also like to thank Jerome Walls for his valuable work as our Director of Finance, following his decision to depart from

his post in the coming year. We wish Jerome every success in his future endeavours.

Finally, the Trustees welcome Lisa Odendaal who has been co-opted to the Audit Committee. We look forward to making use of her expertise and knowledge in risk management and internal audit.

This is undoubtedly a difficult environment for everyone. Coronavirus – at the time of writing – is affecting nearly every aspect of our lives. At United Response we will continue to deal with any new and existing challenge with the dignity and passion for which we are known, embracing of our core values of creativity, responsiveness, strength, honesty and unity. Our latest vision and supporting strategy will be driven forward by our CEO, Tim Cooper, and his dedicated team, as we look to the longer term and a positive future.

Malcolm McCaig, July 2020
Chairman of the Board

United Response in 2019/20 at a glance:

- Across England and Wales we support more than 2,000 people and employ 3,800 staff
- We contract with over 75 local authorities and Clinical Commissioning Groups
- The value of services provided was £93.4m in 2019/20 with the annualised value of new work in 2019/20 being £2m.

How does the Care Quality Commission (CQC) rate our services?

We have:

- 60 registered care services, 57 of which have been inspected under the CQC framework
- 29 care homes
- 31 supported living/domiciliary care services
- 94.7% of services are rated as “Good”

What do people we support and their families think of our services?

- 96% of people we support feel safe when with their support staff
- 91% of people we support say their support workers listen and talk to them
- 92% of families rate the quality of our support as good or excellent
- 97% of families think that our staff are caring and have the right values
- 88% of people we support say they like where they live

Online audiences

- There were 126,947 unique visits to unitedresponse.org.uk
- 19,151 people visited the site in December 2019 to view our easy read General Election manifestos – 81% more than the usual monthly average
- 1,901 people made contact through our website to ask for support for themselves or someone they know – 38% more than 2018/19
- We welcomed 8% more followers to our total social media audience (Facebook, Twitter, YouTube and LinkedIn)
- Our social media content was seen 1,764,166 times
- People engaged with our social media content 75,472 times

Strategic Report

United Response has a corporate strategy for 2016-2020 which sets out five clear objectives:

1. To enable people we support to achieve good outcomes
2. To develop our people and culture
3. To have a distinctive reputation as a provider and influencer
4. To continue to grow and develop the organisation
5. To ensure that we remain financially sustainable

Our priorities during 2019/20 continued to be:

1. **Financial sustainability:** Addressing the funding challenges facing the social care sector and ensuring the on-going financial stability of the organisation.
2. **Consistency of service quality:** Ensuring that we deliver consistently good services across the organisation and that to support this that we are able to recruit and retain high quality staff.

Alongside this we have been working on plans and projects that support the development of our work in the future. We have continued to speak out on matters of public policy that impact on the rights of disabled people and on services for people we support.

A key feature of recent United Response Annual Reports has been an increased transparency in demonstrating our successes against the targets we set for each period. Our commitment to this approach continues and as a result our key objectives and achievements against these plans for the year ending 31 March 2020 are detailed the pages which follow.

Key:



Fully met





Partly met





Not met


ENABLE THE PEOPLE WE SUPPORT TO ACHIEVE GOOD OUTCOMES

<p>We said:</p> <p>We would deliver a high quality and safe service to the people we support and ensure that we are compliant with CQC and other regulations, achieving the highest possible ratings</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • Our overall CQC inspections ratings continue to show positive results against national averages. As of March 2020, 57 of our 60 registered services had been inspected. This resulted in the following ratings: 0 Outstanding; 54 Good; 3 Requires Improvement; 0 Inadequate. • Across the 285 domains (safe, caring, effective, responsive and well-led) within inspection results for these services, we have five ‘Outstanding’ ratings, 263 ‘Good’ ratings, 17 ‘Requires Improvement’ ratings and 0 ‘Inadequate’ ratings. • United Response currently has 60 registered services, 29 care homes and 31 domiciliary care or supported living services. A total of 94.7% of these services were rated ‘Good’, compared to 24 other similar care providers achieving 86% of the same rating. • United Response requires all support locations to conduct a quality and compliance internal quality check once a quarter. We currently have 99% compliance on such checks. • Our yearly satisfaction survey revealed that people we support feel safe 98% of the time in our care.
<p>We said:</p> <p>We would ensure that our practice is person-centred, reflects best practice and is responsive to the individual’s (changing) needs</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We have continued to roll out our practice framework ‘Foundations of Good Support’ and developed a range of resources and support networks to help services assess the support they give, identify improvements and implement positive change. • We have significantly increased internal expertise in providing support for people whose behaviour is described as challenging through the recruitment of three Divisional Positive Behaviour Support Leads and the development of a network of Positive Behaviour Support Coaches. • Our work on developing positive and person-centred approaches to behaviour which challenges has also included the introduction of a one-day Positive Behaviour Support course for all staff and revision of the longitudinal Functional Assessment and Intervention Training for service managers and team leaders. • As part of our redesign of Operations we have dedicated roles focused on supporting teams in Practice Leadership, Active Support and driving up quality. The Operational and national teams are working together to ensure that we can support teams to put the knowledge and theory into practice and share what we learn and develop across the organisation.


MAINTAIN OUR DISTINCTIVE REPUTATION AS A PROVIDER AND INFLUENCER



<p>We said:</p> <p>We would review and assess legislative and policy developments to assess their implications for United Response and influence for broader policy change</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We pressed for the Government’s Health and Social Care Committee to raise the issue of sleep-ins and its impact on social care as part of a long-term reform for our sector. In raising the matter with the Health Secretary and Secretary of State during 2019, we influenced Government to be prepared for the Supreme Court judgement in summer 2020. • More widely, we pressed DHSC on the future of social care in relation to reform for community supported living and also on changes to wages for support staff. We also pushed them on how social care is joined up with NHS community services in conjunction with Government’s NHS ten year plan. • We met with the new Office of Disability Issues Directorate to discuss a range of issues affecting people we support, and later in the year hosted the Deputy Director of Social Care to showcase one of our supported living services as an example of great care in the community. • Following the outbreak of Coronavirus, we contributed to sector conversations with the Social Care Minister to raise awareness on critical operational issues faced by the sector during the pandemic. • We supported and contributed to the growing sector movement ‘Social Care Futures’, helping to shift towards a changed and more positive narrative about the sector and its potential. Last year we and partner organisations joined forces to move towards this vision and showcased to Government the true value of a community-based care model. Advocating for a joined up health, care and wellbeing service available to everyone, we would continue this piece of work into 2020/21 to give Government a mandate to fund true and meaningful reform.
<p>We said:</p> <p>We would continue to provide people we support with a comfortable, good quality and safe home</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We continued to focus on compliance across a range of landlord Health & Safety Indicators and in the past year have achieved 100% compliance in relation to gas safety, electrical safety and legionella. • We also achieved 97% compliance in relation to property fire risk assessments and 96% in relation to thermostatic mixing valves at properties we own, lease and manage. • We have continued to provide a high quality and responsible repairs service for our properties, likewise the necessary investment to ensure we are providing housing that meets people’s needs. • We have also improved performance in relation to occupancy of our accommodation, achieving an occupancy rate of 94.8% at the end of March 2020 (target of 95%).

ATTRACT AND RETAIN TALENTED STAFF WHO DELIVER OUR AIMS AND OBJECTIVES




<p>We said:</p> <p>We would recruit the best people to work for us, whilst motivating, developing and retaining our staff</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We continue to improve our retention of staff and have reduced our voluntary turnover to 17%. We have also improved the retention of staff with less than one year's service, down to just 6.6% turnover. • We have improved our absence rates (pre-Covid 19) to 3.7% and are working to reduce this further, while our general use of agency staff had also been reduced before the pandemic – in light of the outbreak, we are looking to improve this still from 9.9%. • More generally, we have reduced the time from notification of a vacancy to a job offer – now taking just 22 days – and are also working to improve our target of 29 days between a job being offered and person starting. • We are achieving an 88.8% completion rate for Care Certification and 85.6% for staff training • We have introduced faster recruitment and complete online induction as result of Covid-19 • We have implemented, within the resources available, a pay uplift for salaries and working Bank Holidays • Our staff survey, the response rate of which improved by 62.5% on 2017, demonstrated that staff at United Response are engaged with the work they do – a healthy rating of 71%, up on 2017's score. • We introduced a new staff recognition scheme, called UR Stars, along with regular celebration events for those nominated. • We began a recurring monthly wellbeing theme throughout the year and also introduced two new support platforms for staff – Sodexo, for employee benefits, and Neyber, for financial support and advice. • Elsewhere, we devised and began a Leadership Development Program for senior staff while we will also undertake a future review of our Occupational Health Support Services.
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GROW AND DEVELOP THE ORGANISATION AND OUR SERVICES

<p>We said:</p> <p>We would develop new services; increase the number and range of people we support.</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We secured new business with an annualised value of £2m during the past year. • A significant proportion of business development resource has this year focused on consolidation of our existing business. This has involved appraisal of individual services, particularly those displaying risks to continued sustainability – for instance through financial contribution rates, location and recruitment. In many instances we have been able to successfully renegotiate contracts.
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<p>Ensure we anticipate and adapt to new markets changing commissioning arrangement and new service models</p>		<ul style="list-style-type: none"> • We successfully planned and delivered exits from regional contracts which were no longer viable nor in the financial interests of the organisation. These included two large contracts in Lancashire and Wigan, where we fully coordinated and supported a return of services and their management to each council to run or retender. • We have tested and embedded a more diverse community-based support offer in certain locations, including growing our wellbeing services in York, Richmond, Kent, Devon and Cornwall. We also increased student numbers at ROC College and have worked with 'Social Care Future' partner organisations to test new ways of bringing about positive change to our sector.
<p>We said:</p> <p>We would increase access to good quality housing for people with learning disabilities</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We increased the number of tenants by 23 in 2019/20, an increase of 9% despite the overall growth in support contracts being relatively low for the year. • We continued to work with partners including Resonance to prepare for the launch of the Resonance Supported Housing Fund. Initial funding of over £10 million has been secured to date and the fund is due to launch in mid-2020.
<p>We said:</p> <p>We would use technology, information and management systems effectively to support and further develop our work</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We restructured our Technology Teams resulting in increases in productivity and customer service by 20%. • We made major and widespread updates to technology across the organisation, most notably upgrading to Windows 10 on all staff mobile, laptop and desktop devices where possible and improving our network for remote users. • We introduced two new tools for all staff, Zoom and MS Teams, which have widened our available communication channels and kept staff in touch when working remotely – particularly during the challenging times during the Covid-19 pandemic. Improved Skype use will follow in 2021. • Looking to the future, we have developed a new Software Administration Management (SAM) system for use from 2020/21 and have arranged for new equipment to support a network infrastructure refresh for the same period. • We introduced Webroot technology to improve management and security of our networks, while we continue to work towards the Cyber Essentials standard for 2020/21.

BE A FINANCIALLY STABLE ORGANISATION

<p>We said:</p> <p>We would achieve our financial targets</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We reported a net surplus of £1.4m compared with a deficit of £2.6m in 2018/19. • Cash flow in 2019/20 was £1.9m positive at the operational level compared with an outflow of £1.5 in 19/20.
<p>We said:</p> <p>We would secure additional income from Commissioners in order to manage the impact of the National Living Wage (NLW) rise and other wage rise pressures.</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • We continued to campaign to negotiate higher rates from all local authorities in order to meet the costs arising from the increase in the National Living Wage from £7.83 to £8.21 and the need to fund a cost of living increase to remain competitive in a tight labour market. • The overall impact on the cost base during the year was £2.2m and the negotiations with funders ensured that these rises were recovered in full through higher rates.
<p>We said:</p> <p>We would maximise efficiency across the organisation</p>		<p>In 2019/20 our achievements were:</p> <ul style="list-style-type: none"> • Service operating margins improved by 3% year on year and overall staff costs were more effectively managed. • Management of operational margins remains a clear priority for management with all services focusing on achieving an adequate financial return without compromising quality.

Plans for future periods

Our current corporate strategy runs through to 2020 and we have spent time this year working with stakeholders inside and outside of United Response to develop a new strategy. Our aim is for our work to remain relevant and responsive in the years to come. We talked with people support, families, colleagues and we commissioned external perspective on our sector and our work.

We have agreed that we will:

- Focus on supporting people with learning disabilities/mental health conditions to live as active members of their local communities. We will strengthen our 'community presence' offering support to others in the local area
- Diversify our range of services on a planned and phased basis, taking account of geographical opportunities and both supply & demand. We will work in a systematic way to diversify where we believe we can make a difference, being mindful not to overstretch our finite resources
- Retain our charitable status while operating more as a social business, adopting a more commercial and entrepreneurial approach
- Broaden our funding base. Social care funding will remain core, we will increase revenues from other sources of public funds and grow fundraised/trading income as a proportion of overall revenues.

Trustees have agreed above as our overall approach and will review the strategic plans in more detail once the longer term implications of Covid-19 are better understood. We will be applying 'lessons learned' from the Covid-19 pandemic, which will include future planning for such outbreaks, the role of technology in our work and changes to the way in which services for people we support are delivered.

Financial review

The development and performance of the charity's business during the financial year and future outlook

The external financial environment has continued to be difficult with the challenges of the National Living Wage (NLW), the changes in the sector affecting Sleep In payments and the ongoing climate of austerity that continues to affect all our main funders. Despite the economic climate we have been successful in gaining new work with an annualised value of £2m (2018/19 - £2.7m). However, this was offset by the ending of contracts with a value of £1.4m (2018/19 £2.9m) due to the lack of financial viability or a change of circumstances of the people supported.

The possibility of the organisation being liable to a significant back pay liability has not been eliminated. Although a Court of Appeal decision in the case of *Unison v Royal Mencap* appeared to confirm there should be no such liability, a further appeal to the Supreme Court was held in February 2020 and the decision is awaited. Were it to reverse the judgment of the Court of Appeal then (depending on the terms of the judgment) there could still be a significant liability to those who have undertaken sleep-ins in the past. Legal advice has been received that indicates, should the decision of the Court of Appeal be reversed, the period over which liability would exist would be effectively reduced as the advice suggests liability would apply for only six years prior to the judgment. As United Response has paid staff undertaking sleep-ins a rate compliant with legislation between April 2017 and March 2019 this would suggest that United Response's estimated maximum liability would be for three years prior to April 2017 and the period from April 2019 to March 2020. A contingent liability is still considered to exist and further details are shown in note 26.

At the end of the financial year the Covid 19 pandemic began to affect all aspects of business life. However, due to the timing of the outbreak in mid-March, there was no material effect on the financial performance in the year.

The financial position of the company at the end of the year

The charity recorded an increase in reserves of £1.4m (2018/19 – a decline of £2.6m).

The total unrestricted operations, through both general and designated funds, but before the effect of gains on investments, recorded a surplus of £1.3m (2018/19 – a deficit of £2.7m).

Overall income, grew by £0.4m to £94.4m in 2019/20 (2018/19 - £94m). The rises in rates paid by funders to mitigate the effect of cost increases incurred relating to the rise in the national living wage (4.9% to £8.21) was offset by the return of some uneconomical contracts to local authorities in the early period of 2019/20. The principal sources of funding continue to be through contracting with local authorities in England and Wales for the provision of statutory services for clients with learning disabilities in a supported living or residential care environment. In 2019/20 this was £84.9m or 91% of total incoming resources (2018/19 – £86.5m or 92%).

Total expenditure decreased by £3.7m to £92.9m (2018/19 - £96.6m) over the same period due mainly to the return of some contracts and more effective staff management. The reduction in designated funds of £0.7m (2018/19 - £0.3m) related to disposal and depreciation of fixed assets.

Direct charitable expenditure has decreased by £3.9m to £79.4m (2018/19 - £83.5m) due mainly to decreasing costs relating to the returned contracts. Overall support costs rose to £13.2m (2018/19 - £12.9m) due to staff salary increases.

Voluntary income amounted to £0.5m in the year and was £0.2m higher than the previous year. The costs of raising funds remained at £0.2m (2018/19 - £0.2m). Income for activities in the Isle of Man totalled £65k (2018/19 - £65k) with total costs, including allocated management costs, of £40k (2018/19 - £52k).

Total net assets rose to £27m (2018/19 - £25.5m). Net current assets at 31 March 2020 were £10.7m (31 March 2019 - £4.8m) due primarily to a higher level of cash held as working capital. Total cash held as current or investments was £20.4m (2018/19 - £17.9m).

United Response Services Limited had gross income of £32.9m in its first period of trading and recorded a trading surplus of £0.6m which will be gift aided to United Response Limited. The company contracts with local authorities for welfare services which are sub-contracted to United Response and ensures that the taxation position of the group is effectively managed.

United Response in Business Limited had gross income of £0.5m in 2019/20 (2018/19 - £0.6m) and recorded a breakeven position (2018/19 – Nil). The company's main objective is to provide employment opportunities for people with learning disabilities or mental health needs by running social enterprises.

Investment Policy and Performance

The trustees have broad investment powers, set out in the Memorandum and Articles. The Board establishes the charity's investment policy and reviews the target return annually. Due to the size of the possible sleep in back pay liability facing the organisation during the year all investments continued to be held in cash deposits as has been the case since February 2018.

During 2019/20 cash investments continued to be invested in line with the organisation's Treasury policy and resulted in a return of 0.7% for the year in line with the low returns available from secure cash deposits.

Changes in Fixed Assets

Changes in the charity's fixed assets are shown in notes 10 and 11 to the accounts.

Reserves

The total reserves held by United Response at 31 March 2020 was £27m (2018/19 - £25.5m) of which £1.3m was held in restricted funds (2018/19 - £1.2m) with details of restricted funds included under note 17. The trustees have designated reserves in individual funds for specific purposes and at 31 March 2020 the total designated reserves level was £6.6m (2018/19 - £7.2m) and during the year £0.0m of funds brought forward were utilised (2018/19 - £0m) - see note 19.

United Response's free reserves represent unrestricted general funds which have not been designated for a specific purpose and are therefore available for use within the charity's objects. United Response needs reserves to protect it against risks and to ensure financial sustainability, including an adequate level of working capital to provide a financial buffer. Reserves also enable us to take advantage of opportunities to develop our activities, and to enhance support to people, over and above that which we can provide from income received under contract.

At 31 March 2020 the target reserve range is £5.6m to £18.0m and United Response had free reserves of £19.1m (2018/19 - £17.1m) which is above the range considered necessary. The upper range of the target range is currently significantly affected by the risk that remains that a significant back pay liability relating to sleep-ins may materialise and, should it eventually do so, that risk is estimated at £8.9m. Without the inclusion of this major risk, the necessary reserve range would be £5.6m to £9.1m based on the remaining risks. Given the uncertainty around the size of any potential sleep in back pay liability, the trustees are satisfied that excess reserves are not being held. The reserves are also considered to be sufficient to meet any deficit that may arise from directly, or as a consequence of, the Covid crisis.

The estimated cost needed to effect an orderly winding up of the organisation is estimated at £10m. The trustees consider such an event a remote possibility as the majority of services supplied are of a statutory nature and staff would be transferred under TUPE regulations to an alternative provider, thus significantly reducing the exposure. Additionally, in the event of a winding up, the freehold property would be sold, which is currently held at a net book value of £5.5m within a designated reserve.

Key Risks & How We Manage These

United Response works to ensure that we effectively identify and manage risks to the organisation, to the people we support and to our colleagues. The risks and mitigations are recorded in the corporate risk register, which is produced and managed by the Directors' Team and regularly reviewed by the Audit and Risk Committee at each meeting and the Board of Trustees twice per year. The Directors' Team has responsibility for assessing the probability and impact of risks, for ensuring that appropriate mitigations are in place and for reporting on this to Board and Committee. As a devolved and growing organisation working within the regulated and high risk supported living sector, the organisation has developed a risk assurance framework to ensure that the wide range of risks to which the organisation is subject to is being monitored appropriately and that sufficiently robust mitigations are agreed and implemented. With the emergence of COVID 19 the organisation was required to quickly adjust its approach to managing the risks arising from this new situation in a different, but complementary manner, to the established method of managing risk.

COVID-19 RISKS

The pandemic began to affect the organisation in the middle of March 2020 and the organisation reacted quickly to ensuring that all aspects of the care provided to the People We Support and the welfare of all staff were addressed. The response to the pandemic created the need to manage a separate Covid-19 risk register separate to the main corporate risk register. Four overarching corporate risks for United Response related to Covid19 were identified:

- 1. The risk to life and limb:** In the current circumstances there is a risk that People We Support, who may be more vulnerable to the impact of Covid 19, may become seriously ill as a result of complications arising from contracting the virus. Frontline support staff members maybe at greater risk of contracting the virus due to the nature of personal care tasks and proximity to people in circumstances where they are supporting individuals who have contracted the virus or who may be carrying it and their need to continue to travel to work.
- 2. Regulatory breaches:** It is possible that restrictions on how we work, the need for increased delegation of decision making and approvals and the difficulties in exercising management and audit oversight could result in a greater number of inadvertent breaches of regulations governing our work. We may be faced with decisions where there are tensions between regulatory requirements and we may need to prioritise some over others.
- 3. Financial impact:** The organisation will face additional costs resulting from managing the impact of Covid 19 for example on staffing and equipment. Additionally, there is a risk of loss of income and/or delayed payment impacting on cash flow.
- 4. Breach of human rights:** The organisation will need to apply restrictions to the daily movements and activities the people we support in order to comply with government instructions on self-isolation and social distancing. The emergency legislation introduced by the government gives local authorities powers to direct how social care resources are organised and deployed. The pressure on the NHS means that access to healthcare is restricted, there are requirements of people to set out advance care plans, including end of life plans. The ability to apply the provisions of the mental capacity act and comply with deprivation of liberty/best interest requirements is much more constrained.

In order to manage the new risk scenario arising from the pandemic, a Covid 19 Project Management team was formed and a revised decision making structure implemented to address the daily challenges:

- The Board of Trustees have retained overall responsibility for the work of United Response and are being briefed between meetings.
- A major incident management structure (structured on Gold/Silver/Bronze lines) has been introduced.
- The Directors' Team meets daily and receives updates and makes decisions as required.
- The Covid19 Project Management team is responsible for day-to-day coordination of our Covid19 response.
- Leadership team meetings oversee response management across the North and South operating areas.
- Area incident teams oversee management of the response within geographical locations.
- Project working groups resolve detailed guidance on Supplies, Training/Induction and Cash Management.

Additionally, risk assessments to support the four main significant Covid-specific risks were undertaken and approved by the Directors Team in the following areas:

1. Risk Management of Covid 19
2. The availability and age of personal protective equipment
3. Mitigating the financial Impact
4. Area contingency plans
5. The mental wellbeing of staff
6. Fire safety precautions
7. Landlord health and safety checks

This approach to managing Covid-19 related risks has enabled us to contain the impact on people we support and colleagues. Nonetheless, there will undoubtedly be a longer term impact on how we provide support and how we need to manage our finances – both of which we are addressing.

MAIN ONGOING CORPORATE RISKS

The main areas of specific risks identified and the key approaches to mitigation are outlined below:

The cost base rises faster than funding levels

The organisation continues to be faced with significant cost rises on an annual basis. The above inflation annual rise in the National Minimum Wage has continued, and in 2020/21, an overall staff wage rise of 4.4% or £3.3m (2019/20 - 3% or £2.3m) inclusive of the overall cost of living award will be required. To mitigate these significant cost changes United Response has continued with the practice of undertaking a systematic review of contract rates and requested funding levels from local authorities that ensures the financial sustainability of all contracts. The 2020/21 exercise is now underway with a recovery level targeted to meet at least the rise in wage costs incurred. Additionally, the organisation has continued with specific actions in the following areas:

- Specific business reviews on a funder by funder basis to ensure that they are maximising financial contribution without risking the quality of the service offered.
- The introduction of a targeted gross contribution that all services need to be able to deliver before the allocation of management costs.
- Where funding increases are inadequate, and/or mitigating cost reductions cannot be found after transparent communication with the relevant funders, then being prepared to give notice on financially under-performing contracts.
- A review of service delivery models to ensure that efficient approaches to delivery are adopted including how technological solutions can be used.
- The corporate structure has been reviewed to ensure that services are contracted in a tax-efficient manner allowing for the recovery of a significant element of expensed VAT in future years.

The organisation is fortunate to continue to have a strong and stable reserves base of which only a small element is restricted. The underlying unrestricted and non-designated reserve base at 31 March 2020 was £19.1m (2018/19 - £17.1m).

Staff recruitment, retention and engagement

Recruitment and vacancy levels have continued to improve during the year to better than sector benchmarks although agency staff utilisation remained higher than hoped for. Staff retention has also improved but can still be improved. Staff engagement remains a priority and the response rate for the 2020 Staff Engagement Survey held in Q4 2019/20 was 63% higher than the previous survey although lower than wished for at 39%. Staff engagement was high at 71% and ahead of peers. To improve the performance in this area, the organisation intends to progress with several initiatives including:

- Extensive benchmarking underpins the approach to improving pay and conditions whilst balancing the funding of changes implemented to support engagement.
- Recognition scheme is embedded to acknowledge the efforts of teams and individuals demonstrating the values of the organisation.
- Management and leadership development has been implemented supported by a readily accessible online Good Practice Hub as well as networks of support.
- Refinements to the recruitment and induction process have been implemented improving the time to recruit and start new staff
- Increased use of video communication to keep staff informed has now become a regular feature.

- Redevelopment of the intranet and internet is due for completion in June 2020 facilitating access and sharing of information
- Refinements to the recruitment and induction process have been implemented improving the time to recruit and start new staff
- Continued use of the employer brand “Make Life Happen” and use of social media channels to support candidate attraction
- Wellbeing platforms and employee assistance facilities are available to all staff

Ensuring people we support remain safe and well

Ensuring that people we support are able to live full and valued lives while keeping safe and well, and working to reduce the likelihood of significant safeguarding incidents and health related difficulties, has remained a key focus of 2019/20. In order to mitigate further the on-going risks inherent in this sector, the following new actions have taken place during the year:

- An external review of the organisation’s safeguarding policies and practices has been undertaken with recommendations now being implemented through the creation of the Safeguarding Action Plan which is overseen by the trustee Operations Committee.
- An organisational Safeguarding Forum has been introduced with representatives from across the organisation in order to review incidents in detail and recommend changes in practice that are required.
- A revised People We Support Health policy has been introduced.
- There is a new Health and Wellbeing section of the intranet for the People We Support which contains resources, guidance and templates for the most common health conditions experienced.
- We have introduced a new health traffic light system for the most common health problems enabling support teams to monitor change and to decide on appropriate health management actions.
- We have introduced new training, policies and procedures to improve the administration and management of medication.
- We have reduced risk from the behaviour that challenges many of the people we support by developing greater internal expertise, developed new training and support.
- We have recruited 3 Positive Behaviour Support (‘PBS’) leads and trained and supported PBS coaches in operations.
- We have commissioned an external review of our health and safety systems.

Diversification

Should the potential Sleep In back pay liability crystallise, currently estimated at a maximum £8.9m, there would be lower liquid assets available to fund the expansion into alternative income streams. Reducing this dependency remains a strategic aim. In order to mitigate this situation, the organisation has:

- Reviewed its current strategy in 2019/20 with a view to launching this in 2020/21 in order to focus on areas where sufficient expansion funding is available irrespective of the situation with respect to sleep ins.

Cyber Security

In common with all organisations increasingly dependent on systems to function effectively, United Response needs to guard against the constant and increasingly sophisticated cyber threats that could lead to a data breach, the loss of key data and significant reputational damage. To mitigate this threat, the organisation is:

- In the process of refreshing its cyber security firewalls, essential technical infrastructure and associated hardware.
- With the Coronavirus Pandemic, an increased maintenance and monitoring regime has been implemented to ensure that the network and security firewalls operate in a balanced and optimised for the increased working from home use.
- Is engaged in becoming accredited to the UK government backed Cyber Essentials scheme.
- Ensuring that staff understand the importance of cyber security and that this is backed up through internal messaging and up to date compulsory training.
- Ensuring that all relevant policies are in place, accessible and regularly kept up to date.

Regulatory Requirements

The organisation operates with a highly regulated sector and needs to meet the requirements of several national regulators and comply fully with a wide range of regulations and so needs to ensure that it has a wide range of assessment capabilities, both internal and external, to ensure that it avoids the possibility of financial fines, penalties and, potentially, specific legal action against UR. To mitigate these risks the organisation:

- Has developed a corporate risk assurance framework which is managed by the Directors' Team and that identifies the key risks faced by the organisation and identifies the appropriate mitigating strategies and actions. The effectiveness of this framework is scrutinised by the Audit and Risk Committee and the Board on a regular basis.
- Utilises a range of expert consultants to provide specialist advice, guidance and audit capability in areas where in house capability requires additional support.
- Maintains open and regular communications with our regulators including the Care Quality Commission and the Charity Commission.
- Is subject to an independent external audit each year which reports on control weaknesses noted during this review.

Use of Technology

The organisation is conscious that in order to remain efficient in the delivery of both frontline support and back office services, to attract the required numbers of new staff and to be competitive in major new contract bids it needs to continue to enhance its use of technology, systems and digital tools.

- These requirements have been highlighted as a major focus in the development of the revised strategy for the organisation that will be launched later in 2020, subject to the effects of the Covid-19 crisis allowing this to happen, for implementation in the 2020 to 2024 period.
- The organisation will ensure that the IT strategy will include the development and completion of current system initiatives, the enhancement of technology skills for staff and the introduction improved systems and processes.
- Due to the Coronavirus Pandemic the organisation has rapidly adopted applications to facilitate work and communication such as Zoom and MS Teams.

Brexit

In the case of a disorderly exit from the current transitional arrangements occur there is the prospect of additional pressure being felt by the adult social care sector which could include increased competition for staff and access to important medication, supplies and equipment. The organisation is mitigating this risk through:

- Maintaining and regularly reviewing a specific Brexit Risk Assessment
- Maintaining close contact with a range of stakeholders including the CQC, funders and bodies representing the sector to ensure that these parties are kept abreast of how this situation is affecting the organisation and ensure that best practice solutions are adopted.

Other risks

Internal financial control risk is managed through an internal auditor who focuses on reviewing the management of People We Supports' money within services and, following a trustee decision to increase the internal audit of financial and other business functions, the use of relevant external experts to review other control environments e.g. the recognition of accrued income, health and safety. The Audit and Risk Committee now oversees an agreed programme of reviews each year in key control areas.

Despite the Covid-19 crisis, credit risk is considered low by management due to the overwhelming majority of the customers being local or health authorities. Payment delays are usually caused by inaccurate invoicing due to a combination of changed rates or clients who have moved between services. There is no exchange risk as all services are within the UK and minimal overseas procurement. Liquidity risk is controlled primarily through the management of reserves and investments as detailed separately in this report.

Streamlined Energy and Carbon Reporting

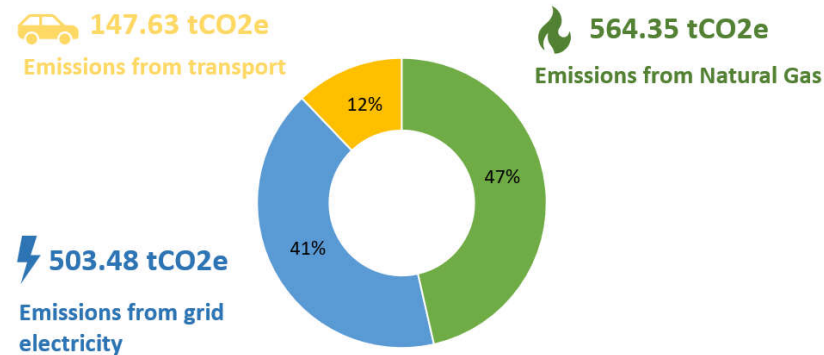
Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is the new legislative reporting requirement in the Directors' Report for Year Ends finishing on or after 31 March 2020. It mandates that all large companies must report on the operational energy consumption and associated emissions. The high-level breakdown is as follows (*below*):

	Gas	Electricity	Transport	Total
kWh	3,067,187	1,221,899	-	4,289,086
Mileage	-	-	527,276	527,276
kgCO2e	564,353	503,484	147,632	1,215,469
tCO2e	564	503	147	1,215

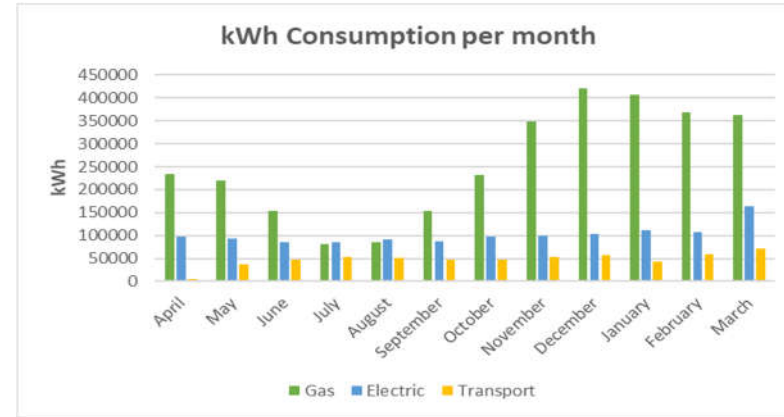
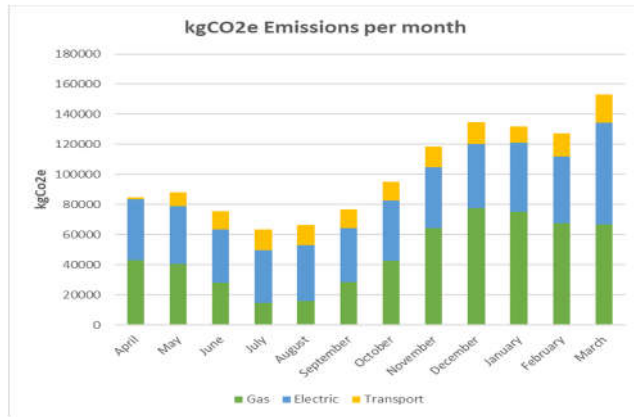
Energy and associated Carbon Emissions

United Response's total CO2 emission breakdown is highlighted below. The primary Scope 1 and 2 emitters of carbon are Gas and Electricity consumption used for operational buildings and residential care homes.



Graph 1 (below, left, total kgCO2e per month) shows kgCO2e emissions in more detail. The monthly profile shows there are higher emissions over winter months, which is to be expected due to increased heating demands and more time spent inside.

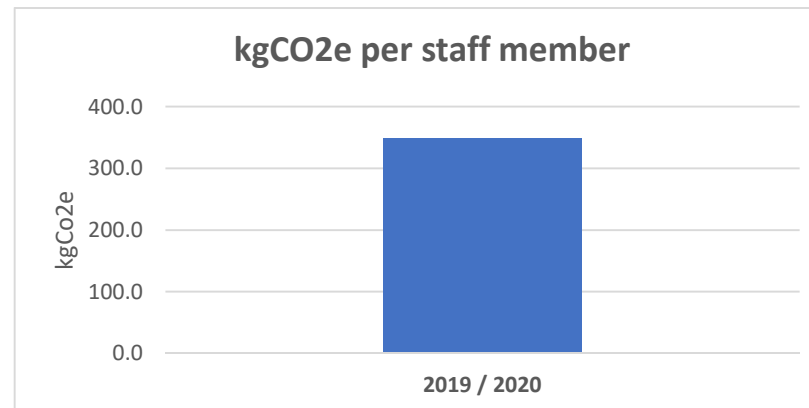
Graph 2 (below, right) shows kWh of consumption per month in more detail. The profile reveals that transport and electricity consumption is relatively consistent throughout the year, with gas consumption increasing over the winter months.



Intensity metric

An intensity metric gives United Response an indicator of carbon performance based on an operational figure. In this case we have used the number of staff members to indicate this performance with 3,481 members emitting on average 349.2 kgCO2e each. This will be measured annually and compared against previous years.

Number of staff (Average)	3481.0
kgCo2e	1215468.7
2019 / 2020	349.2



United Response initiatives

This section highlights energy and carbon improvement projects undertaken during the year or those that are currently underway.

- **Smart meters:** In order to obtain an accurate and detailed picture of each building's consumption, United Response has commenced an estate-wide meter upgrade to smart meters.
- **LED lighting:** Where possible and practical, contractors/staff have been asked to further replace lights with LED alternatives when existing lamps reach the end of their life.

Methodology

Energy sources

United Response are measuring scope 1 & 2 emissions. All energy data was collated by our energy suppliers Utility Aid with transport data and staff numbers collated internally. Scope 1: Fleet vehicles Scope 2: Electricity and Gas supply

Calculations

The following figures were used to convert energy to CO2 figures.

	Litre	kWh	Co2e
Gas	NA	1	0.183997
Electricity	NA	1	0.41205
Petrol	1	9.1	2.31
Diesel	1	10	2.68

List of supporters for 2019/20

Trusts & Foundations

Clothworkers' Foundation
Screwfix Foundation
Trafford Housing Trust
Tesco Bags of Help
People's Postcode Trust
W O Street Charitable Foundation
CLA Charitable Trust
Buckfast Abbey Trust
Gilbert Edgar Trust

Legacies

From the late Keith Edward Fazackerley
From the late Joan Mary Rowe
From the late Roy Ernest Bousell

28 London Marathon 2019 runners inc:

Jools Robinson
Celine Sheridan
Leanne Gibbons
Bec Campion
Caroline Hand
Andy McIntosh
Sarah Cook
Candy Baines
Ally Keay
James Smallwood
Frances Ferguson
Finn Ferguson
James Neely
Ryan Johns

Ride London 2019

Adam Cundick
Alexander Stubbs
Alison Stubbs
Andrew Stubbs
Barrie Foster
Darren Smith
Karen Sutton
Nick Kerry
Paul Houghton
Paul Stubbs
Peter Whiting
Trevor Stubbs

ROC 5k sponsors and supporters

Bespoke IT
Cornish Mutual
GWR
Keith Wotton Architectural Services
PKF Francis-Clark
Zamu
Truro College
Vickery Holman
3 White Hats
Lilly Lewarne Architects
BBC Radio Cornwall
Cornish Orchards
Skinners Brewery
Warrens Bakery
All 500 participants

Structure, governance and management

During 2019/20 United Response commenced the novation of its Local Authority contracts to its wholly owned subsidiary company, United Response Services Limited. The contracts were then subcontracted to the charity to deliver the services in the usual way. This structure has been put in place to ensure that United Response is set up in the most effective way in respect of taxation. United Response Services Limited is a company limited by shares with United Response being the only shareholder. The directors of this subsidiary are the Chief Executive, the Director of Finance and two trustees of United Response.

The charity is incorporated as a company limited by guarantee and is governed in accordance with its Memorandum and Articles of Association. United Response in Business Limited is a wholly owned subsidiary of United Response.

The organisation is governed by a board of trustees, led by the Chair.

The trustees, who have the powers and obligations of Directors under the Companies Acts 2006, have ultimate responsibility for United Response's leadership and strategic direction, for its stewardship, overall financial

and organisational control, monitoring progress and ensuring compliance. The Board also has responsibility for protecting the reputation and values of the organisation, sets the long term vision, and holds the Chief Executive and Director's Team to account whilst maximising their performance for delivering United Response's policies, strategies and objectives.

United Response made four Trustee appointments at the AGM in July 2019. The process for recruiting new trustees is to advertise the positions, accept applications and interview a group of shortlisted candidates. People we support participate in these interviews. We aim to achieve a balance of expertise and knowledge on the Board and also to ensure that all parts of society are represented. Once appointed, trustees undergo a thorough induction process and receive updates and information on a regular basis.

During the financial year, United Response carried out a review of its overall governance against the Charity Commission's Governance Code to ensure complete compliance as practical.

The board of trustees meet at least four times per annum and are supported by four committees.

The Finance and Resources Committee has oversight of the key financial aspects of our work which stem from the financial, HR, investment and other resource related strategies.

The Operations Committee focuses on quality and safety of services to the people we support, using and interrogating a wide variety of data sources to triangulate and provide assurance. Its purpose is to scrutinise information that assures trustees that we are providing safe, high quality, effective services consistently and routinely, that we meet regulatory requirements and that we are providing best practice models wherever possible that reflect and involve the views of the people we support, their families and carers.

The Audit and Risk Committee has oversight of external audit and of internal controls across United Response including quality assurance systems and health and safety arrangements.

The Nominations Committee acts on behalf of the Board to ensure that appropriate governance arrangements are in place, including the recruitment of new trustees.

Each committee is able to appoint up to two co-optees/specialist advisors to enhance their work, should the committee chair and committee members feel this would add value to the work of the committee. This also provides us with greater flexibility enabling us to draw on a broader range of skills and involve advisors without them having to assume wider governance responsibilities.

Remuneration of the Directors Team

The Finance and Resources Committee has responsibility for overseeing the pay and reward of the Chief Executive and Executive Directors. The Committee undertakes benchmarking with multiple sources, using external advice, to ensure that pay and reward of senior staff is appropriately reviewed against comparable organisations in the charitable sector and is proportionate to the pay and reward of staff overall in the charity. The Committee reports its findings to the board of trustees.

Equality

United Response is proud of the support it provides through a diverse workforce matched to the communities in which we support. Through clear engagement, training and leadership our workforce is adept at being inclusive and recognising that diversity brings

strength and opportunity for people to achieve their best. United Response works tirelessly to evolve our inclusive culture further through adopting the Disability Confident framework, Mindful Employer charter and actively works to encourage people we support to gain meaningful employment. United Response embeds the principles of the Equality Act throughout the organisation.

Employee Engagement

Communication to staff is regarded as an important priority within the organisation, and we strive to make decisions in the best interests of employees however and wherever possible.

In February 2020, we conducted an anonymous staff survey which has resulted in a number of actions and positive outcomes across the organisation. The survey was completed by 1425 staff across England and Wales.

The survey revealed a high level of engagement of staff at 71%. Staff said they would recommend United Response as a good place to work and described us as value-driven, creative, responsive, strong and honest.

Other successful and existing employee engagement methods include celebrating staff success and service. This is achieved through the 'UR Stars' scheme as well as encouragement through regular staff team meetings and one-to-one sessions. This year United Response introduced the employee benefit platforms of Sodexo and Neyber for staff to take advantage of the many discounted offers and advice.

Staff are regularly and systematically given information relating to matters of concern to them as employees. The Chief Executive cascades a regular monthly briefing of the key developments and issues facing the organisation, including financial and economic factors affecting its performance. Meanwhile, employees are represented by the United Voice staff consultation group which meets on a quarterly basis to discuss staff concerns with senior management. Those in this group are consulted on all policy changes affecting staff so views can be taken into account ahead of decisions which may affect the interests of the charity's wider workforce.

Stakeholders and relationships

The relationships forged and held by United Response are the backbone of the organisation's history and future, and are deep-rooted in all of our work on both a

regional and national level. Among these are business relationships with local authorities, commissioners, funders and partnering health organisations. No less significant are the ties held with the charity's core stakeholders – the people we support, their families and the wider community.

Maintaining and fostering each of these relationships is a key priority for the charity, its Directors Team and board. Principal decisions taken by the company during the financial year carefully take into account the importance of these relationships.

Board of Trustees

The trustees who served during the year were as follows:

Chair – Malcolm McCaig - appointed July 2018

Vice-Chair – David Willis (Chair of Finance and Resources Committee)

Vice-Chair – Helen England (Chair of Operations Committee)

David Aitman (Chair of Audit and Risk Committee) – stepping down in July 2020

Honorary Treasurer - Charles Garthwaite

Karie Clifford – ended Board tenure July 2019

Sandra Hannington - ended Board tenure July 2019

Bronagh Scott

Alastair Ballantyne

William Hodson

Katherine Rake

Mark McLaughlin – appointed July 2019

Alison Stanley – appointed July 2019

Deborah Tavana – appointed July 2019

Guy Van Dichele – appointed July 2019

Directors Team

United Response is managed by the Directors Team consisting of the senior paid employees of the organisation. During the course of 2019/20 this team and associated role briefs were reviewed and restructured.

The Director's Team is led by the Chief Executive, who reports to the Chair of the Trustees. The Directors Team through the Chief Executive is responsible for the day to day management and implementation of the strategy approved by the Board and leadership of the organisation, for drawing up and implementing the corporate plan and budget and for proposing any strategic changes not encompassed within the corporate plan. Members of the Director's Team attend board and sub-committee meetings, to brief the trustees on organisational matters.

The Directors Team of United Response at 31 March 2020 was:

Chief Executive – Tim Cooper

Director of Quality and Practice Development – Sarah Battershall

Director of Corporate Services – Mark Ospedale

Director of Finance and Company Secretary – Jerome Walls

Director of Operations North – Julia Casserly

Director of Operations South – Mike Crowhurst

Reference and administrative details

United Response is a Charity registered with the Charity Commission and a company limited by guarantee.

Registered Address & Principal Office Highland House
165 The Broadway
Wimbledon
London SW19 1NE

Telephone Number 020 8246 5200

Website www.unitedresponse.org.uk

Email info@unitedresponse.org.uk

Twitter @unitedresponse

Facebook facebook.com/UnitedResponse

Charity Registration Number 265249

Company Number 01133776

VAT Number GB317764974

Bankers **Lloyds TSB Bank**
3rd Floor
25 Gresham Street
London EC2V 7HN

Auditors

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Capsticks
1 St George's Road
London SW19 4DR

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Trowers and Hamlins LLP
3 Bunhill Row
London EC1Y 8YZ

DAC Beachcroft
Wellbar Central, 36 Gallowgate
NE1 4TD

Insurance Brokers

Marsh UK Ltd
39 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4ER

Trustees' Responsibility Statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

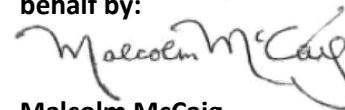
In so far as each of the trustees of the charity at the date of approval of this report is aware

there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

A resolution to re-appoint Crowe U.K. LLP as auditors will be proposed at the annual general meeting.

Approved by the Board of Trustees of United Response on 23rd July 2020 including, in their capacity as company directors, the strategic report contained therein, and signed on its behalf by:



Malcolm McCaig
Chair

Independent Auditor's Report to the Members of United Response

Opinion

We have audited the financial statements of United Response for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

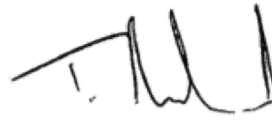
an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

24 July 2020

UNITED RESPONSE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020
(incorporating a consolidated income and expenditure account)

		General Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
	Notes	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2019 £'000
Income from:						
Donations and legacies	2	381	-	147	528	308
Charitable activities	3	93,392	-	-	93,392	93,625
Investments	4	139	-	-	139	115
Other	4	297	-	-	297	-
Total income		94,209	-	147	94,356	94,048
Expenditure on:						
Raising funds	5	244	-	-	244	229
Charitable activities	5	92,641	-	46	92,687	96,403
Total expenditure		92,885	-	46	92,931	96,632
Net surplus / (deficits) on operations	7	1,324	-	101	1,425	(2,584)
Net gain / (loss) on investment disposals		-	-	-	-	1
Net income/(expenditure) before transfers between funds	7	1,324	-	101	1,425	(2,583)
Transfers between funds	19	675	(675)	-	-	-
Net movement in funds		1,999	(675)	101	1,425	(2,583)
Reconciliation of funds:						
Total funds at 1 April 2019		17,076	7,228	1,233	25,537	28,120
Total funds at 31 March 2020	16	19,075	6,553	1,334	26,962	25,537

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 40 to 65 form part of these accounts.

**UNITED RESPONSE
CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2020**

	Notes	Group		Charity	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	10	3	62	3	62
Tangible assets	11	5,478	6,001	5,475	5,997
Investments	12	11,244	15,157	11,244	15,157
Total fixed assets		16,725	21,220	16,722	21,216
Current Assets					
Stocks		6	6	5	5
Debtors	13	12,349	10,049	9,431	10,133
Cash at bank and in hand		9,121	2,789	9,084	2,718
Total current assets		21,476	12,844	18,520	12,856
Creditors - amounts falling due within one year	14	(10,734)	(8,060)	(7,778)	(8,015)
Net current assets		10,742	4,784	10,742	4,841
Total assets less current liabilities		27,467	26,004	27,464	26,057
Provisions for liabilities	15	(505)	(467)	(505)	(467)
TOTAL NET ASSETS	16	26,962	25,537	26,959	25,590
FUNDS OF THE CHARITY:					
Restricted Funds					
Restricted funds	17	1,138	1,033	1,138	1,033
Restricted property fund	18	196	200	196	200
Total restricted funds		1,334	1,233	1,334	1,233
Unrestricted Funds					
General Funds	19	19,075	17,076	19,072	17,129
Designated funds	19	6,553	7,228	6,553	7,228
Total unrestricted funds	19	25,628	24,304	25,625	24,357
TOTAL CHARITY FUNDS	16	26,962	25,537	26,959	25,590

These financial statements were approved by the board and authorised for issue on 23rd July 2020. The notes on pages 40 to 65 form part of these accounts. The surplus for the financial year, dealt within the financial statements of the parent charity, with company number 1133776, was £833,000 (2019 - deficit £2,583,000) excluding gift aid from subsidiaries.

Malcolm McCaig - Chair



Charles Garthwaite - Treasurer



**UNITED RESPONSE
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities:			
Net cash generated / (used) in operating activities	A	1,850	(1,481)
Cash flows from investing activities			
Dividends and interest from investments		139	115
Proceeds from the sale of property, plant and equipment		624	-
(Decrease) / increase in property, plant and equipment		(194)	(180)
Proceeds from the sale of investments		-	3
(Decrease) / increase in cash held for reinvestment		3,913	(3,180)
Net cash generated / (used) in investing activities		4,482	(3,242)
Change in cash and cash equivalents in the reporting period		6,332	(4,723)
Cash and cash equivalents at the beginning of the reporting period		2,789	7,512
Cash and cash equivalents at the end of the reporting period	B	9,121	2,789

A. Reconciliation of net income to net cash flows from operating activities

Net income for the reporting period (as per the Statement of Financial Activities)		1,425	(2,583)
Adjustments for:			
Depreciation and amortisation charges		448	471
Returns on investments		-	(1)
Dividends and interest from investments		(139)	(115)
(Gain) / loss on sale of fixed assets		(297)	4
Decrease / (increase) in stocks		1	(1)
(Increase) / decrease in debtors		(2,300)	1,251
Increase / (decrease) in creditors		2,674	114
Increase in provisions		38	(621)
Net cash provided by operating activities		1,850	(1,481)

**UNITED RESPONSE
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020**

Notes to the Consolidated Statement of Cash flows (continued)

	2020	2019
	£'000	£'000
B. Analysis of cash and cash equivalents		
Cash in hand	65	78
Cash at bank	9,056	2,711
Total cash and cash equivalents	9,121	2,789

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Charity Information

The charity is a private limited company by guarantee (charity registered number 265249), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is Floors 4 and 5, Highland House, 165, The Broadway, Wimbledon, London, SW19 1NE.

1. Accounting Policies

a) Basis of preparation

The accounts have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 UK Generally Accepted Accounting Practice as it applies from 1st January 2015 and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements of United Response and its subsidiaries are consolidated on a line by line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'.

Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

b) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, United Response Services Limited, United Response in Business Limited and Robert Owen Communities (dormant) on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

c) Preparation of the accounts on a going concern basis

The trustees have considered the financial and non-financial risks to which United Response, and the care sector more generally, are exposed. The organisation has retained a contingent liability with respect to the potential Sleep In back pay liability due to the appeal to the Supreme Court which was held in February 2020 and is yet to announce its decision. If United Response were to be subject to such a back pay liability, and in the absence of a central government sponsored funding solution, it would seek to gain re-imburement from local authority providers for the underpayment element,

1. Accounting Policies (continued)

c) Preparation of the accounts on a going concern basis (continued)

but cannot estimate the extent to which it would be successful. Local authorities were notified of this intention in 2017. United Response's consolidated unrestricted reserves stand at £27m, of which 76% are held as cash. As a result, the financial statements have been prepared on the going concern basis because there is a reasonable expectation that United Response has adequate resources to continue in operational existence for the foreseeable future and the trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue.

The initial assessment on the effect of the Covid-19 pandemic on the financial sustainability of the organisation is that it does not pose a material threat to the trustees' assumption that the financial statements should be prepared on the going concern basis.

d) Critical accounting judgements and key sources of uncertainty

In the application of the charity's accounting policies, trustees are required to make judgements, estimates, assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The following matters contain assumptions concerning the future, or estimation affecting assets and liabilities at the balance sheet date, that may result in a material adjustment to their carrying amounts in the next financial year:

Note 13 Debtors - Accrued income and Doubtful Debt provision

Note 15 Provisions - Dilapidations

Note 26 Contingent Liabilities - Potential Sleep In back pay liability.

In the view of the trustees, other than those matters disclosed above, there are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date likely to result in a material adjustment to their carrying amounts in the next financial year.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting Policies (continued)

e) Income

Grant and contractual income for the delivery of care to individuals is recognised on a receivable basis and is recognised in the year care is provided. Contractual income is received from statutory authorities, mainly from local authorities and health trusts.

f) Expenditure

Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure associated with the provision of support to people with learning disabilities or mental health needs and include both the direct and support costs relating to these activities. Governance costs are primarily associated with constitutional and statutory requirements. Where support costs cannot be directly attributed to one of the charity's activities they have been allocated on the basis of estimated time spent.

g) Operating leases

Rental costs under operating leases are charged to the statement of financial activities on a straight line basis over the period.

h) Pension schemes

United Response operates a non-contributory stakeholder pension scheme for eligible staff members. Current employer's contributions amount to 3% of pensionable earnings. The charity also contributes to the NHS pension scheme, the West Yorkshire Pension Fund and the Nottinghamshire County Council Pension Fund in respect of staff members who have transferred from other employers. These are defined benefit schemes which we account for as defined contribution schemes as it is difficult to identify the charity's share of the underlying assets and liabilities; we hold £100,000 in reserve relating to these schemes should we be required to supplement our contributions.

i) Intangible fixed assets

Computer software costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use, they are amortised on the straight line basis over four years.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

j) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 are capitalised and shown at cost. Depreciation has been charged to write off all fixed assets, except for freehold land, over their estimated useful lives, at the following rates:-

Freehold buildings and improvements	2% to 25% on cost
Leasehold buildings	over period of lease
Furniture and equipment	25% on cost
Motor vehicles	25% on cost

k) Financial instruments

United Response 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise overdrafts and trade and other creditors. Financial assets and liabilities are detailed in notes 13 and 14 to these accounts.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. These are detailed in note 12 to these accounts. Investments in subsidiary undertakings are held at cost less impairment.

l) Investments

All investments held are included in the balance sheet at market value. All investments currently held are in cash deposits with UK clearing banks to ensure adequate security and liquidity is maintained.

m) Stock

Stock is included at the lower of cost and net realisable value.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting Policies (continued)

n) Provisions

United Response has commitments to make good dilapidations and carry out repairs under various property leases. A provision is made for all leased properties that may be subject to a potential dilapidation charge and is based on the experience of recent actual costs incurred when vacating premises.

o) Funds

Income received subject to specific conditions imposed by the donor is included in restricted funds. Revenue expenditure is allocated against these funds as incurred. Restricted funds which have financed fixed assets are reduced by amounts equivalent to any depreciation charge over the expected useful lives of the assets concerned. The analysis of restricted funds is shown in note 17 to the accounts.

Designated funds are unrestricted funds which have been set aside by the trustees for particular purposes. The purposes and uses of these funds are set out in note 19 to the accounts.

p) Cash at bank and in hand

Liquid resources are defined as cash at bank and in hand immediately available to meet working capital needs. Other cash not required for working capital requirements are classified as investments.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

2. Analysis of Donations and Legacies

	Total 2020 £'000	Total 2019 £'000
Donations from trusts		
Clothworkers' Foundation	35	35
People's Postcode	13	-
Groundwork Trust	12	4
CLA Charitable Trust	5	-
Other	9	7
Claire Milne Trust	-	6
Forbes Trust	-	11
Total donations from trusts	74	63
Other donations, legacies and other voluntary income	454	245
Total donations and legacies	528	308

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

3. Analysis of Income from Charitable Activities

	Contractual Income £'000	Grants £'000	Trading Income £'000	Total 2020 £'000	Total 2019 £'000
Learning disability residential services	12,292	6	-	12,298	12,019
Learning disability supported living services	72,481	35	186	72,702	74,460
Other learning disability services	4,323	-	-	4,323	3,531
Mental health services	2,562	-	-	2,562	2,230
Employment Opportunities for People We Support	1,133	80	294	1,507	1,385
Total income from charitable activities	92,791	121	480	93,392	93,625

Contractual income in 2018/19 is reduced by £800,000 relating to the release of income accrued in earlier financial years.
Contractual income includes £65,094 (2019 - £65,094) in respect of contracts with the Isle of Man Government.

Grant income is made up as follows:

	2020 £'000	2019 £'000
Skills for care	56	32
Grants to support employment (various)	65	35
Other small grants	-	11
Total	121	78

Further details of these grants are included in note 17.

Contractual income is made up as follows:

	2020 £'000	2019 £'000
Income from statutory authorities	87,836	87,494
Income from people we support and other sources	4,955	5,521
Total contractual income	92,791	93,015

4. Analysis of Income from Investments and Other Activities

Investment income is made up as follows:

	2020 £'000	2019 £'000
Distribution on property investment trust	-	-
Alternative investments	-	12
Interest on total return funds	-	3
Bank interest	139	100
Total investment income	139	115

Other income is made up as follows:

	2020 £'000	2019 £'000
Gain on sales of fixed assets	297	-
Other income	297	-

5. Analysis of Total Expenditure

	Direct Costs £'000	Support Costs £'000 (Note 6)	Total 2020 £'000	Total 2019 £'000
Raising funds	232	12	244	229
Charitable activities				
Learning disability residential services	10,447	1,126	11,573	12,033
Learning disability supported living services	61,573	11,044	72,617	76,344
Other learning disability services	3,645	263	3,908	3,802
Mental health services	2,293	750	3,043	2,324
Employment Opportunities for People We Support	1,176	61	1,237	1,568
Governance costs	309	-	309	332
	79,443	13,244	92,687	96,403
Total resources expended	79,675	13,256	92,931	96,632

Other learning disability services includes total expenditure of £40,149 (2019 - £52,957) in respect of contracts with the Isle of Man Government.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

6. Analysis of Support Costs

	2020	2019
	£'000	£'000
Regional support and training	6,478	6,210
Service development and quality	834	870
Communication and policy	400	398
Financial, HR and legal	3,491	3,461
IT	1,581	1,414
General management	460	519
Total support costs	13,244	12,872

Support costs have been allocated to activities on the basis of estimated time spent.

7. Net Surplus on Operations for the Year

This is stated after charging:

	2020	2019
	£'000	£'000
Depreciation and amortisation	448	471
Auditors' remuneration including VAT	51	49
Other fees paid to Auditors including VAT	32	4
Amounts paid under operating leases		
- Land and buildings	1,440	1,533
- Motor vehicles	211	251

8. Trustee benefits and expenses

No remuneration was paid to trustees. A total of £3,882 was paid to 6 trustees for travelling expenses (2019 - £3,565 - 5 trustees). The expenses reimbursed to trustees cover travel and subsistence costs only.

Indemnity insurance is provided for the trustees as part of the overall management liability policy, the total premium paid during the year amounted to £11,157 (2019 - £11,000).

9. Staff Costs

Total staff costs for the year were as follows:	2020 £'000	2019 £'000
Wages and salaries	65,332	68,557
Social security costs	5,142	5,403
Pension contribution costs	1,951	1,523
Total	72,425	75,483

Wages and salaries includes £337,000 (2019 - £745,000) of redundancy and termination payments which were paid out in accordance with our redundancy policy and legal requirements.

Average number of staff employed	2020 Number	2019 Number
Direct charitable activities	3,367	3,717
Support and governance	254	285
Generating voluntary income	3	5
Total	3,624	4,007

Number of employees whose remuneration (including taxable benefits) exceeded £60,000 during the year	2020 Number	2019 Number
£60,000 - £70,000	6	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	2
£90,001 - £100,000	2	1
£100,001 - £110,000	2	2
£110,001 - £120,000	2	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
Total	17	10

9. Details of Staff (continued)

Total pension contributions outstanding at the year end were £308,000 (2019 - £273,000).

Executive Team Remuneration

	2020	2019
	£'000	£'000
Total pay and benefits of the Senior Executive Team	807	591

The Executive Team consists of the Chief Executive, Director of Finance, Director of Operations North, Director of Operations South, Director of Quality and Practice Development, Director of Information Technology and the Director of Corporate Services. In 2019 the Senior Executive Team consisted of five members.

10. Intangible Fixed Assets

	2020	2019
	£'000	£'000
Cost		
1 April 2019	425	729
Additions	-	0
Disposals	-	(304)
31 March 2020	425	425
Amortisation		
1 April 2019	363	593
Charge for the year	59	74
Disposals	-	(304)
31 March 2020	422	363
Net Book Values (Charity & Group)		
2020	3	62

Intangible assets relate to capitalisation of computer software costs.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

11. Tangible Fixed Assets

	Freehold property £'000	Leasehold property £'000	Furniture & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
1 April 2019	6,583	1,146	2,179	48	9,956
Additions	20	26	148	-	194
Disposals	(449)	(26)	(39)	-	(514)
31 March 2020	6,154	1,146	2,288	48	9,636
Depreciation					
1 April 2019	1,257	709	1,951	38	3,955
Charge for the year	212	80	90	7	389
Disposals	(160)	(5)	(21)	-	(186)
31 March 2020	1,309	784	2,020	45	4,158
Net Book Value (Group)					
2020	4,845	362	268	3	5,478
2019	5,326	437	228	10	6,001
Net Book Value (Charity)					
2020	4,845	362	265	3	5,475
2019	5,326	437	224	10	5,997

Freehold property includes a property with a net book value of £196,000 (2019 - £200,000) which is subject to the restrictions set out in note 18.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

12. Fixed Asset Investments

	2020	2019
	£'000	£'000
Market value at beginning of year	15,157	11,979
Purchases at cost	-	-
Disposals at book value	-	(2)
(Decrease) / increase in market value	-	-
Increase / (decrease) in cash held for reinvestment	(3,913)	3,180
Market value at end of year	11,244	15,157
Historical cost at end of year	11,244	15,157

The market value of investments was made up as follows:-

	2020	2019
	£'000	£'000
Unlisted investments	-	-
Interest bearing deposits	11,244	15,157
Total	11,244	15,157

The value of investments is split:

In the UK	11,244	15,157
Outside the UK	-	-
Total investments	11,244	15,157

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

13. Debtors

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	9,627	8,311	4,294	8,274
Amounts owed by group and associated undertakings	-	-	4,063	127
Prepayments	437	431	437	430
Accrued income	2,088	1,203	441	1,198
Other debtors	197	104	196	104
Total	12,349	10,049	9,431	10,133

Trade debtors are stated net of a general doubtful debt provision based on the age of debts of £829,000 (2018/19 - £725,000).
Accrued income is an estimate of income earned but not yet invoiced.

14. Creditors - Amounts Falling Due Within One Year

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	1,183	1,065	1,180	1,055
Accruals	3,219	3,222	3,208	3,217
Deferred income	1,247	967	766	957
Taxation and social security	3,511	1,330	1,056	1,316
Other creditors	1,574	1,476	1,568	1,470
Total	10,734	8,060	7,778	8,015

All deferred income as at 31 March 2019 was released during 2019/20.

15. Provision for Liabilities and Charges

	Provision for Dilapidations	Total Provision	
	2020 £'000	2020 £'000	2019 £'000
Opening balance	467	467	1,088
Utilised in year	(22)	(22)	(93)
Released unused during the year	-	-	(528)
Additional amount provided	60	60	0
Closing balance	505	505	467

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

15. Provision for Liabilities and Charges (continued)

The provision for dilapidations provides for the cost of repairs arising as a result of obligations under property leases.

16. Analysis of Net Assets between Funds

	General Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	2020 Total Funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	3	3	-	3
Tangible fixed assets	-	5,139	5,139	339	5,478
Investments	11,244	-	11,244	-	11,244
Current assets	19,069	1,411	20,480	995	21,476
Current liabilities	(10,734)	-	(10,734)	-	(10,734)
Provisions for liabilities & charges	(505)	-	(505)	-	(505)
Total net assets 31 March 2020	19,074	6,553	25,628	1,334	26,962
2019 Comparative Disclosures	General Funds	Designated Funds	Total Unrestricted Funds	Restricted Funds	2019 Total Funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	62	62	-	62
Tangible fixed assets	-	5,648	5,648	353	6,001
Investments	15,157	-	15,157	-	15,157
Current assets	10,446	1,518	11,964	880	12,844
Current liabilities	(8,060)	-	(8,060)	-	(8,060)
Provisions for liabilities & charges	(467)	-	(467)	-	(467)
Total net assets 31 March 2019	17,076	7,228	24,304	1,233	25,537

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

17. Restricted Funds

	Balance 31 March 2019 £'000	Transfers £'000	Income £'000	Expenditure £'000	Balance 31 March 2020 £'000
Time For You	15	-	-	-	15
Cornwall Supported Employment	3	-	-	-	3
Carers' Project	98	-	-	-	98
North East Division	63	-	26	(1)	88
South West Division	29	-	5	(6)	28
South East Division	129	-	67	(22)	174
North West Division	72	-	15	(3)	84
Devon	157	-	34	(7)	184
Other restricted funds	125	-	-	-	125
Subtotal	691	-	147	(39)	799
Represented by tangible fixed assets:					
North East Division	2	-	-	-	2
South West Division	140	-	-	-	140
South East Division	3	-	-	(2)	1
North West Division	8	-	-	-	8
Devon (formerly ROC)	189	-	-	(1)	188
Total excluding restricted property fund	1,033	-	147	(42)	1,138
Restricted property fund (see note 18)	200	-	-	(4)	196
Total	1,233	-	147	(46)	1,334

17. Restricted Funds (continued)

The purposes of the principal funds shown above are as follows:

Time for You - this is a grant from Ipswich Borough Council in relation to the Suffolk Short Break Demonstrator Project, involving the provision of support to family carers of people with learning disabilities. The grant was originally awarded to Ipswich Council for Voluntary Service, but was transferred to United Response during 2012.

Cornwall Supported Employment - this service provides support to enable people with learning disabilities to secure paid employment working with many partners including Working Links, PLUS, Prospects, Cornwall College and the Employment and Skills Board. Funding sources include the DWP, the Skills Funding Agency, the European Social Fund and various independent capacity-building grants.

Carers' Project - this is a project, funded by a donation from the David Lambert Trust, designed to provide respite for the family carers of young adults with severe mental health problems, working in partnership with the local PCT, prior to disbanding in 2011. We are now exploring alternative ways of taking it forward, working with other statutory agencies.

North West Division - the income and expenditure relate principally to grants provided to support our supported employment work in Greater Manchester. Grants have also been provided by Knowsley MBC and Wigan MBC to enable us to develop employment and social opportunities for people with autism.

Devon - in 2016 United Response merged with Robert Owen Communities and this fund represent the balance of restricted funds acquired at that time and the net movement in restricted revenue funds since.

Funds represented by tangible fixed assets - these funds relate mainly to improvements to properties, including houses owned by United Response in West Sussex and Devon and leased in Suffolk, Essex and Kent.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

17. Restricted Funds (continued)

2019 Comparative Disclosures					
	Balance 31 March 2018 £'000	Transfers £'000	Income £'000	Expenditure £'000	Balance 31 March 2019 £'000
Time For You	15	-	-	-	15
Cornwall Supported Employment	-	-	-	-	3
Development of the Retreat, Kent	5	-	-	(5)	-
Carers' Project	98	-	-	-	98
North East Division	48	-	21	(6)	63
South West Division	49	-	20	(40)	29
South East Division	87	-	64	(22)	129
North West Division	70	-	20	(18)	72
Devon	137	-	28	(8)	157
Other restricted funds	72	-	54	(1)	125
Subtotal	584	-	207	(100)	691
Represented by tangible fixed assets:					
North East Division	2	-	-	-	2
South West Division	140	-	-	-	140
South East Division	9	-	-	(6)	3
North West Division	8	-	-	-	8
Devon (formerly ROC)	189	-	-	-	189
Total excluding restricted property fund	932	-	207	(106)	1,033
Restricted property fund (see note 18)	204	-	-	(4)	200
Total	1,136	-	207	(110)	1,233

18. Restricted Property Fund

The restricted property fund represents the value of a freehold property provided by the South East Kent District Health Authority to house a service in Folkestone. The property, which was acquired at no cost to United Response, is registered in the name of the charity and has been included in fixed assets at the cost of acquisition and refurbishment borne by the Health Authority, less depreciation. In the event of the service terminating, United Response has undertaken to transfer the property back to the Health Authority for £nil consideration.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

19. Unrestricted Funds

	Balance 31 March 2019 £'000	Transfers during the year £'000	Generated during the year £'000	Balance 31 March 2020 £'000
Business development fund - general	28	(28)	-	-
IT strategy fund	79	(79)	-	-
Property fund	1,061	-	-	1,061
Pension fund	100	-	-	100
Maintenance fund	250	-	-	250
Intangible Fixed Assets	62	(59)	-	3
Tangible fixed assets	5,648	(509)	-	5,139
Total designated funds	7,228	(675)	-	6,553
Unrestricted general funds	17,076	675	1,324	19,075
Total unrestricted funds	24,304	-	1,324	25,628

Funds have been designated for the following purposes:-

Property fund - to help fund the purchase of properties to support the development of the charity's activities. These funds are likely to be utilised over the next five years.

Pension fund - to cover the potential liability associated with membership of one multi-employer defined benefit local government pension schemes.

Maintenance fund - to provide funding for major repairs of properties which the charity has responsibility for.

Intangible fixed assets - relates to the portion of reserves invested in intangible fixed assets used by United Response in its operations.

Tangible fixed assets - relates to the portion of reserves invested in tangible fixed assets used by United Response in its operations.

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

19. Unrestricted Funds (continued)

2019 Comparative Disclosures	Balance 31 March 2018 £'000	Transfers during the year £'000	Utilised during the year £'000	Balance 31 March 2019 £'000
Business development fund - general	28	-	-	28
IT strategy fund	79	-	-	79
Property fund	1,061	-	-	1,061
Pension fund	100	-	-	100
Maintenance fund	-	-	-	250
Intangible Fixed Assets	136	(74)	-	62
Tangible fixed assets	5,859	(211)	-	5,648
Total designated funds	7,513	(285)	-	7,228
Unrestricted general funds	19,471	285	(2,680)	17,076
Total unrestricted funds	26,984	-	(2,680)	24,304

20. Capital commitments

There were no capital commitments in either 2019 or 2020.

21. Operating Lease commitments

	Land and buildings		Vehicles	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Total of future minimum lease payments under non cancellable operating leases:				
within one year	921	736	176	176
within two to five years	1,207	519	119	119
after five years	134	176	-	-
Total	2,262	1,431	295	295

22. Subsidiary Undertakings

United Response has a wholly owned trading subsidiary, United Response in Business Limited, with company number 3787676 and registered address at 4th Floor, Highland House, 165 The Broadway, Wimbledon, London, SW19 1NE, which is incorporated in Great Britain and carries on trading activities in accordance within the objects of the charity. The purpose of United Response in Business Limited is to provide employment opportunities for people with learning disabilities or mental health needs, and to carry out other activities in support of the charity's work. The principal activities in 2020 were the operation of a café in York, fulfilment and disability consultancy services and the provision of motor vehicles to people with learning disabilities supported by the charity.

In 2016 the charity acquired Robert Owen Communities (ROC), a UK charitable company with registered charity number 517845 and company number 02038915 and its subsidiary undertaking, Robert Owen Communities Housing (ROCH). ROCH, a UK charitable company with registered charity number 1082257 and company number 03851512, was dissolved on 4th December 2018. ROC was dormant during the year. The registered address of ROC is Highland House, 165 The Broadway, London SW19 1NE.

In January 2019, United Response Services Limited (URS) was formed as a wholly owned subsidiary of United Response. URS is registered as company number 11788717 and £100 share capital was invested by UR. The company was dormant in the year ended 31/3/2019. United Response Services Limited carries out trading activities with local authorities on behalf of United Response Limited. The registered address of URS is Highland House, 165 The Broadway, London SW19 1NE.

The tables overleaf show the impact of the subsidiaries on the results of the Group.

**UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

22. Subsidiary Undertakings (continued)

Financial activities of Subsidiaries in 2020	2020 URS £'000	2020 ROC £'000	2020 URIB £'000	2020 Total £'000
Sales revenue	33,056	-	466	33,522
Other income	-	-	27	27
Total turnover	33,056	-	493	33,549
Salaries and wages	-	-	112	112
Other costs	32,463	-	381	32,844
Total operating costs	32,463	-	493	32,956
Trading (loss)/profit	593	-	-	593
Gift aid due to parent	(593)	-	-	(593)
Retained profit / (loss)	-	-	-	-
Retained loss brought forward	-	-	(99)	(99)
Retained profit / (loss) carried forward	-	-	(99)	(99)
Net Assets	-	-	2	2
2019 comparatives	2019 URS £'000	2019 ROC £'000	2019 URIB £'000	2019 Total £'000
Financial activities of subsidiaries in 2019				
Sales revenue	-	-	515	515
Other income	-	-	59	-
Total turnover	-	-	574	574
Salaries and wages	-	-	175	175
Other costs	-	-	399	399
Total operating costs	-	-	574	574
Trading (loss)/profit	-	-	-	-
Grant (to)/from United Response	-	-	-	-
Retained (loss)/profit	-	-	-	-
Retained loss brought forward	-	-	(99)	(99)
Retained loss carried forward	-	-	(99)	(99)
Net Assets	-	-	2	2

23. People We Support bank accounts

The charity administers holding bank accounts on behalf of residents for the receipt and payment of the residents' personal allowances. These bank accounts have not been reflected on these financial statements as an asset or liability. The value held at 31 March 2020 was £333,000 (2019 - £287,000). The bank accounts are held separately from those of the charity.

24. Transactions with Related Parties

There have been no related party transactions, in the year to 31 March 2020, that require disclosure other than transactions with the subsidiary companies, URIB, ROC, URS and UR's trustees. Transactions with URIB, ROC and URS are set out below and those with the trustees are disclosed under note 8 of the accounts.

In 2019/20, the charity charged URIB with management fees totalling £22,000 (2019 - £22,000). This is calculated as the time spent on URIB by individuals on the basis of salaries including National Insurance (NI) and pension contributions. The proportion of time devoted to URIB is estimated on a percentage basis.

In 2019/20, the charity provided grants to URIB totalling £27,000 (2019 - £58,000). This is to cover the losses made by URIB and payments by statutory bodies for people we support on placements at the trading café. These payments are made to the charity and credited to URIB.

In 2019/20, URIB charged the charity £1,000 (2019 - £3,000) in respect of services provided.

As at 31/3/20, URIB owed the charity £49,000 (2019 - £26,000).

In 2019/20, the charity charged URS £32,458,000 (2019 - £0) in respect of the delivery of operational services.

In 2019/20, URS paid the charity £32,977,000 (2019 - £0) of monies collected on invoices raised.

In 2019/20, under a deed of covenant, URS will make a gift aid payment to the charity of £593,000 (2019 - £0). Payment will be made to the parent charity during the 9 months following the relevant reporting date.

As at 31/3/20, URS owed the charity £4,014,000 (2019 - £0).

UNITED RESPONSE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

25. Consolidated Statement of Financial Activities for the year ended 31 March 2019

(incorporating a consolidated income and expenditure account)

	General Funds 2019 £'000	Designated Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000
Income from:				
Donations and legacies	102	-	206	308
Charitable activities	93,625	-	-	93,625
Investments	115	-	-	115
Other	-	-	-	-
Total income	93,842	-	206	94,048
Expenditure on:				
Raising funds	229	-	-	229
Charitable activities	96,294	-	109	96,403
Total expenditure	96,523	-	109	96,632
Net deficits on operations	(2,681)	-	97	(2,584)
Net losses on investments	1	-	-	1
Net income/(expenditure) before transfers between funds	(2,680)	-	97	(2,583)
Transfers between funds	285	(285)	-	-
Net movement in funds	(2,395)	(285)	97	(2,583)
Reconciliation of funds:				
Total funds at 1 April 2018	19,471	7,513	1,136	28,120
Total funds at 31 March 2019	17,076	7,228	1,233	25,537

26. Contingent Liability

Impact of National Living Wage ("NLW") and Sleep Ins in the social care sector

Sleep-Ins occur in cases where People We Support require a staff member to be physically present at night in case of emergency, but the staff member is not required to be working, and is allowed to sleep unless required to work. United Response provided Sleep-Ins when specified by local authorities, and prior to April 2017, paid staff for Sleep-Ins at rates that reflected the flat rate payment received from the local authority.

United Response, along with other providers, had been of the view that payment for Sleep-Ins was not governed by regulations regarding the National Minimum Wage and had accordingly, until 1 April 2017, applied a flat wage rate determined by the specific funding allocated by the contracting local authority. In reaching this view, United Response, in line with other providers, relied on its interpretation of guidance that had been issued by the Department of Business, Energy and Industrial Strategy ("BEIS") and its predecessors.

United Response, in response to uncertainties emerging in the interpretation of the regulations (the "Regulations") establishing the National Minimum Wage, and to the approach of various contracting local authorities, determined with effect from April 2017 to pay staff undertaking Sleep-Ins at least at the National Minimum Wage on average, whether the hour in question arose from a day or sleep-in shift.

The Government responded to the uncertainties in relation to interpretation of the Regulations, and the consequences of those uncertainties, by setting up the Social Care Compliance Scheme (SCCS). This required participants to calculate the amounts due to all staff, past and present, who had undertaken Sleep-Ins in the period up to six years prior to joining the SCCS, on the basis that all hours undertaken in that period were paid on average at least the relevant National Minimum Wage for the pay period in question. All amounts due would then have needed to be paid to staff no later than March 2019.

United Response joined the SCCS in December 2017. As United Response had started to pay staff at least the National Minimum Wage in April 2017, its potential back pay liability related to a period of the five years and three months prior to April 2017.

The issue whether Sleep-Ins are subject to the National Minimum Wage has been litigated on a number of occasions, perhaps most significantly in a case brought against Mencap. The outcome of this case was expected by the sector, to a significant extent, to be determinative of whether or not there was a liability to pay the National Minimum Wage for Sleep-Ins. This case finally came to the Court of Appeal in July 2018. The Court of Appeal ruled that National Minimum Wage regulations did not apply to Mencap's Sleep-Ins. Consequentially, in December 2018, UR submitted a nil return to the SCCS with respect to any sleep in back pay liabilities.

26. Contingent Liability (continued)

Impact of National Living Wage ("NLW") and Sleep Ins in the social care sector (continued)

In April 2019, following the decision of the Court of Appeal decision that National Minimum Wage regulations did not apply, United Response changed its method of payment for sleep-ins to a system directly linked to the specific sleep in funding rate received under each contract and this continued through the financial year. This decision meant that a further potential back pay liability arises for the year 2019/20.

Whilst the Court of Appeal decision was unanimous and considered by United Response, the sector and certain legal commentators to be clear on the issue, in March 2019, the Supreme Court allowed for an appeal against the Court of Appeal hearing to be heard and this was heard in February 2020. Should the appeal be lost, then there would be no sleep in back liability. However, should the appellant win that appeal and overturn the judgment of the Court of Appeal, then, depending on the basis on which the judgment is overturned, the risk of United Response being liable for a time period prior to April 2017 and for the 2019/20 financial year returns. United Response has taken legal advice as to the time period that would be relevant if the Court of Appeal decision be overturned and has established that this is a maximum period of six years preceding the date of the Supreme Court judgement. For the purposes of estimating the contingent liability, it has been assumed that a judgement would be delivered on 1/7/2020 and, consequentially, no liability could exist on or before 30/6/2014. The period of liability is therefore from July 2014 to March 2017 when sleep-in payment arrangements changed and for 2019/20 when sleep in payments were re-set outside of NMW regulations. The estimated liability is £8.9m (2018/19 - £8.8m) and relates to the July 2014 to March 2017 period as no extra liability is estimated to have occurred in the 2019/20 due to the change of payment method.