

REGISTERED COMPANY NUMBER: 02647131 (England and Wales)
REGISTERED CHARITY NUMBER: 1005302

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020
FOR
NEW DIRECTIONS (RUGBY) LIMITED**

Atkinson Finch & Co
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

NEW DIRECTIONS (RUGBY) LIMITED

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

New Directions (Rugby) Limited (New Directions) provides housing and support to vulnerable people, including adults with learning disabilities. The Charity provides residential and respite support in the Charity's own bespoke homes, support to people living in their own homes and also through day opportunities and sessional services.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objectives are set out in the Articles of Association but have been summarised for the benefit of the Inspection Service under the Care Standards Act and the Essential Standards of Quality and Safety, as follows:

1. The provision and facilitation of housing, social housing, supported housing and specialised supported housing to vulnerable members of society;
2. The provision of residential and day care facilities for vulnerable and learning disabled people, either on a long-term basis or on a short-term basis, and to provide respite for those who are normally cared for by their families, carers or guardians;
3. The provision of transition skills training/facilities for vulnerable and learning disabled people to enable them to learn how to live in their own homes now and in the future;
4. The provision of facilities, in the interests of social welfare, for education, volunteering, employment and for the recreation of such persons and generally such facilities and services as shall be calculated to alleviate their needs.

Our Mission and Vision is:

To make a positive difference to the lives of vulnerable people, including those with learning disabilities, by promoting their rights, independence, choices, inclusion and by providing support and opportunities for them to lead fulfilling lives.

To provide a range of quality accommodation, as well as support at home and supported living support, and services to people with learning disabilities and their families/carers to promote their self-respect, individuality, dignity and to ensure they are safe and able to achieve their goals and wishes.

We Believe:

- Everyone is equal and should have the same chances and choices in life
- People with learning disabilities should be listened to and supported to make choices that are right for them
- That the views of families, friends, carers and staff are very important and should be heard
- People should be supported and encouraged to be as independent as their potential allows
- That we should always strive to improve our services and adapt them to the changing needs of the people we support whilst ensuring value for money services

We will do that:

- By putting the interests of vulnerable people, including those with learning disabilities, and their families at the heart of everything we do, listening to their wishes, hopes and aspirations of their futures.
- By adopting a person centred approach, promoting individual choice, independence and by valuing and treating everyone with dignity and respect.
- By providing high quality accommodation and support through a range of residential, supported living, short stay/respite, home care options, day, leisure, social activities and support towards volunteering or employment opportunities.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

- By ensuring our staff are well supported, trained, highly motivated, able to deliver the highest quality individually tailored support services to each person we are responsible for.
- By striving to improve services, to continually raise local awareness, promoting the positive contribution and potential of people with a learning disability within their community.
- New Directions is committed to enhance the rights, independence, choice and inclusion of people with disabilities and to provide opportunities for them to lead full and purposeful lives and to be involved in the community they live in.

Public benefit

The Charity exists to support vulnerable people, including those with learning disabilities, their families and carers; their choices and wishes are at the very heart of everything we do, through our person centred services. Our links with families, friends and carers are very important to the Charity and we aim to maintain these and offer support as far as we are able. The Charity regularly reviews the ways in which it engages with people who use the services, families, friends and carers. Current engagement methods include newsletters, emails, social media and meetings with individuals.

In setting the Charity's objectives and strategies we have given due consideration to the Charity Commission's guidance on public benefit.

The Charity currently supports over 100 people with a disability and employs over 170 people from Rugby and the surrounding areas.

We also work with local schools, colleges and businesses to improve their understanding of disability issues, facilitate opportunities for joint partnership working and more inclusion for people with disabilities, both in the community and within social networks. We work in partnership with local groups and charities to share our resources wherever we can including offering room hire within our buildings at affordable rates.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Charity continues to consolidate its financial reserves enabling it to invest in innovative new developments and services to meet the needs of its existing and future customers.

Poppy Place and Vicarage Road remain our residential homes, supporting a total of 13 people with disabilities. Poppy Place saw the sad loss of three residents during the year; all of whom were longstanding and much loved residents. The funerals were arranged by the manager and staff teams from Poppy Place. The life of each individual was celebrated with tears and smiles. All three vacancies have now been filled.

Milner House, the residential respite service, has again seen a reduced occupancy rate due to people moving into their own supported living homes throughout the year, many of which are with New Directions. Funding packages are being reduced or restricted, leading to the occupancy being only 67% of capacity. We continue to work with our funders to increase the occupancy rate, identifying new people to support and to maximise the income of the property to ensure that we can secure the future for the service.

We continue to provide a wide range of activities and opportunities at our day opportunities facility at The Exchange. We support people to develop new skills, make friends, to be included in the community and to plan for their future by unlocking their potential. This year we have seen people continue with their courses in how to write CVs, learning job skills, improving their literacy, numeracy and computer skills.

Richmond Court, Gateway Court, Kings Court and Lennon Court continue to offer supported housing to 60 people living in their own flats, enabling them to live as independently as possible. Other individuals are supported in their own homes in and around the Rugby area.

Our respite service at Milner House and our day opportunities services were suspended in March 2020 as a result of COVID-19. We are working with our funders to recommence these services albeit they will look very different for the foreseeable future.

We have received a number of donations during the year including several from the families of the people we support and our thanks go to these families.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

We also received donations as a result of funerals from family members and our thanks goes to the families.

We received generous donations from St James Wealth Management, Kilsby Jazz Club, Sir Edward Boughton Long Lawford Charity, Hafele UK and The Rotary Club of Dunchurch.

Quality Assessments and Achievements

Care Quality Commission Assessments

All our homes and services have received a "Good" rating, under the new assessment regime, with very positive inspection reports with no actions to follow up.

ISO9001 International Quality Standard

Following our annual review in 2019 New Directions successfully maintained its accreditation.

We have successfully achieved this important quality standard for the last 10 years with annual detailed audits carried out by an external auditor. The audit looks at our processes, systems, quality, performance, leadership, customer satisfaction and risk management.

Disability Confident Employer

New Directions maintains its status as a Disability Confident Employer; this is the successor to "Positive about Disability".

Impact Report

The Impact Report highlights the achievements and performance made by New Directions over the year. This is an annual report and is available to all families, carers, friends, professionals and other stakeholders and publicly available on our website <https://newdirectionsrugby.org.uk/>

Feedback and Involvement by the People we Support

Customer and Stakeholder Satisfaction Feedback

The views of everyone involved with the Charity are very important to us. We obtain regular feedback through user-friendly questionnaires and also through group meetings. These enable customers and stakeholders to tell us what we do well and what they would like us to change.

Person Centred Plans

Everyone we support has a Person Centred Plan, which involves placing the individual at the centre of the Plan, his or her family and friends and support staff. These Plans are reviewed annually and are a key part of our organisational philosophy. We look at what is important to the individual and how they can be supported to achieve their needs and desires.

Voices and Choices and Tenants meetings

The people we support meet on a regular basis, supported by invited staff members, in a Voices and Choices meeting. Tenants are also invited to quarterly meetings to discuss their homes and where they live. The people we support have the opportunity to make suggestions and to tell us about their ideas at these meetings. These groups continue to be involved in shaping future services and to play an active part in governance.

Employment Opportunities for the People we Support

Six people we support currently have part-time jobs or volunteering roles within the Charity. Our day opportunities at The Exchange continues to source employment opportunities for the people we support. Others are volunteers and undertake such activities as helping out in our reception, volunteering at farms, charity shops and day activity centres. Volunteers from the service run a café in the town centre on a Monday, which has been a great success. Everyone is always looking out for other projects that generate income and are also keen to support other charities in their work, such as making dog beds for Paw Prints. New Directions is committed to offering employment and volunteering opportunities to people with disabilities as an equal opportunity employer.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

ACHIEVEMENT AND PERFORMANCE

Developing our Communications

On The Record Newsletter

We continue to produce regular editions of our newsletter called "On The Record", which is formatted in an accessible, easy to read and understandable format. This newsletter highlights the achievements and adventures of our customers and staff along with future developments.

We also send out email news updates, and information through our Facebook, Twitter, LinkedIn and Instagram social media pages and through updates on our website.

The monthly staff newsletter and regular team meetings ensures good communication with the staff team. The "Star of the Month" award which recognizes the hard work and commitment of individual staff members continues to be well received and valued.

Developing our Profile

Mayor's Charity

Councillor Bill Lewis who was elected Mayor of Rugby on 16th May 2019 chose 'Respect' as his theme for his year in Office. Respect for each other, where we live and the environment we share. New Directions is very pleased to have been selected as one of his three mayoral charities for 2019-20 along with Rugby Dementia Support and Rugby Autism Network.

Developing our Staff

New Directions is committed to and invests in a comprehensive staff training and development programme for all its staff team, so they are knowledgeable, skilled, continually updated and to ensure they can offer the highest quality of services to people with learning disabilities.

The Board would like to thank all the staff and volunteers for their hard work and dedication over the last year.

Future Developments

The Charity continues to work with developers and private landlords to develop quality accommodation for those we support.

On 1st May 2020 Queens Court, a development of 15 self-contained, one bedroom flats, opened. The site is located next door to The Exchange and Kings Court and will provide high quality accommodation for the people we support. The development benefits from a lift to all floors making the whole building accessible to anyone. The first person took up their tenancy in May and we look forward to welcoming many more people to their new homes over the coming months.

The 2016-19 Business Plan has come to an end, with the targets and plans that remain relevant being completed. A 5-year Strategic Plan is being drawn up by the Board and the CEO; this will direct the objectives for the charity and will include plans for further growth and development.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

FINANCIAL REVIEW

Review of past financial year

The Charity has had another successful year and continues to build its reserves to ensure the future security for those people it supports.

2019 saw the opening of Kings Court, a development of 13 self contained flats. All flats were occupied by the end of the year. The development offers high quality accommodation to support people to live as independently as they are able.

All services remained sustainable over the last year, despite the very difficult economic climate in which we find ourselves. The growth seen in recent years means that we continue to thrive when some other providers are handing back contracts or ceasing to trade altogether.

The budgets for the new year indicate that all services will make a positive financial contribution to the Charity. Managers are required to report directly to the Board on their service and are held to account if budgets are not maintained.

The Board, CEO and management team acknowledge that these are still difficult economic times and are all committed to keeping the running costs of the Charity as low as possible, whilst maintaining high quality, responsive services. It is also acknowledged that growth is crucial to ensuring the Charity is sustainable for the future and the Trustees acknowledge the need to invest to ensure future development.

Going Concern basis

The National Living Wage has been increasing over recent years, this places a significant burden on the social care sector at a time when government cuts are placing significant pressures on Local Authority and NHS funding. Our funders have announced funding increases of up between 2.8% and 5.14% across the various services for the coming year. This funding increase has made it possible for us to pass on a 6.2% pay award to the majority of our staff; this matches the increase in National Living Wage that took effect from 1st April 2020. The budgets for the following two years have been based on growth of the Charity, on the assumption that wages will increase and that no further funding increases will be forthcoming; they indicate that we will remain sustainable. The Charity has a plan for growth that is achievable and the Trustees are confident that this growth will enable the Charity to continue to operate as a going concern for the foreseeable future. In order to support this approach to growth a new supported living development, Queens Court, was brought on stream on 1st May 2020. The Charity will continue to work with our funders to maintain a sustainable business model for the future. The Charity is also committed to consolidating the services that we already have and to securing the future for everyone it supports.

The outcome of a Court Case, between Mencap and HMRC around the payment of arrears to staff who have undertaken sleep-in shifts at rates below National Living Wage over the last 6 years, deemed that the National Living Wage does not apply to sleep-in duties. The case has been referred to the Supreme Court for appeal and we are now awaiting the outcome of this. Should the decision be reversed by the Supreme Court the impact of the payment of any arrears would be significant for the Charity. The issue has been raised at the highest level of Government.

Our funders have continued to support us during the COVID-19 pandemic. They are paying "on plan" for the respite and day opportunities services that have been suspended. We are also being funded for the additional hours that we are providing to support people to comply with Government guidance during the pandemic. We do not anticipate any short-term financial implications as a result of the pandemic. We will, however, review our strategy as we come out of this crisis as we are of the view that the future could look very different for social care providers.

Reserves policy

The Board of Trustees has a policy of maintaining unrestricted reserves of at least twice the annual operating overhead costs. Whilst these reserves have not been met the Trustees can confirm that the policy is still being pursued.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is a charitable company limited by guarantee originally incorporated on 19 September 1991. A Memorandum and Articles of Association governs the Charity. It is independent from all other organisations and public bodies.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Charity is governed by a Board of Trustees (Directors), supported by a management team led by a Chief Executive. The management team consists of a Finance Manager, a Head of Operations, a Human Resources Manager, Registered Managers, Deputy Managers and an Office Manager. The Chief Executive is responsible for the day to day running of the Charity and is appointed as the Responsible Individual as required by the Care Standards Act and the Essential Standards of Quality and Safety. The Chief Executive, Finance Manager, Head of Operations, Human Resources Manager and Registered Managers report directly to the Board of Trustees.

Doreen Woodward, our Chief Executive for almost 10 years, made the decision to relocate for family reasons so left New Directions in August 2019. We are very pleased to welcome Paul Tolley who joined us in this role in November 2019. Paul has a long history of working in Disability Rights and Independent Living across Coventry and Warwickshire and spent the last 13 years developing and leading the infrastructure organisation Warwickshire Community and Voluntary Action overseeing 5 mergers of voluntary sector organisations to create a sustainable countywide organisation which supported voluntary sector organisations and groups to successfully access over £29m of charitable funding and contracts.

Board of Trustees

The Board of Trustees presently consists of ten members and meets a minimum of four times per annum. The maximum number of Trustees is twelve and shall be not less than five. The powers of the Board are defined in the Articles of Association dated 7th January 2014. The Board is made up of members who have a range of experience in areas such as special needs education, finance, psychology, business development, housing and local authority, legal matters and family members of the people we support, who can give an insight into living with people with learning disabilities. The board members provide complimentary skills, experience and knowledge ensuring an objective view in any management discussion.

The Board has two sub-groups being Finance and Development and Quality Assurance and Policy: both made up of Trustees and are supported by the management team. The Sub-Groups have delegated powers and agreed Terms of Reference and report to the Full Board of Trustees.

Regulation, Compliance and Funders

As a provider of supported living, respite, supported housing and residential care services the Charity is subject to regulations set out by the Care Quality Commission. The Charity is subject to planned and unplanned inspections to ensure that all regulations are complied with. The Chief Executive reports the findings of all inspection reports to the Board and any action taken or needed. In complying with the Essential Standards of Quality and Safety from the Care Quality Commission, the Trustees are of the opinion that all risks relating to the activities of the Charity have been identified and robust systems and procedures are in place to manage those risks.

The Charity works closely with Warwickshire County Council and the National Health Service. Most customers are financed by fees paid by either Warwickshire County Council or the National Health Service. The Charity has developed good working relationships with Warwickshire County Council and the NHS and has developed innovative services and accommodation in line with the needs of the people it supports and commissioning intentions. Some customers also pay out of their own personal budgets.

The Chief Executive is responsible for ensuring that all the financial controls are in place. The Finance Manager carries out the day to day functions and is responsible to the Chief Executive.

Major financial decisions are made by the Board of Trustees.

The Board has confirmed its compliance with the Good Governance Code of Practice as recommended by the Charity Commission. This includes internal controls, financial, governance and risk management, whistle-blowing, equality and diversity, performance appraisal, clarity of roles and measures to avoid personal benefit or conflicts of interest.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Charity has a risk strategy in place along with a detailed risk register ensuring that the risks are identified, assessed and managed. Significant risks to the charity are reviewed by the Trustees at every Board meeting.

NEW DIRECTIONS (RUGBY) LIMITED (REGISTERED NUMBER: 02647131)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02647131 (England and Wales)

Registered Charity number
1005302

Registered office
Richmond Lodge
27 Bilton Road
Rugby
CV22 7AN

Trustees
W Back (Chair)
M E Sedgley
S Shaw (resigned 8.3.2020)
J Sanders
P A Jenkins (Vice Chair)
D J Rayner
S S Barhey
J V Phillips
M R Orrill
P J Hughes
A L Gregory (appointed 12.11.2019)

Chief Executive
P Tolley

Company Secretary
J Jarman FCA

Auditors
Atkinson Finch & Co
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

Bankers
Handelsbanken
Suite 1
Bloxam Court
Corporation Street
Rugby
CV22 7AN

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

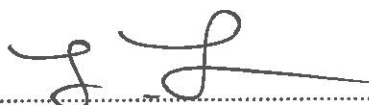
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Atkinson Finch & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 11th August 2020 and signed on its behalf by:



.....
J Jarman FCA - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEW DIRECTIONS (RUGBY) LIMITED (REGISTERED NUMBER: 02647131)

Opinion

We have audited the financial statements of New Directions (Rugby) Limited (the 'charitable company') for the year ended 31st March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 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 Report of the Independent Auditors 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 the audit:

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEW DIRECTIONS (RUGBY) LIMITED (REGISTERED NUMBER: 02647131)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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 auditors' 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.



Stuart Bolton FCA (Senior Statutory Auditor)
for and on behalf of Atkinson Finch & Co
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

Date: 26/08/2020

NEW DIRECTIONS (RUGBY) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	10,558	10,558	31,219
Charitable activities	4				
Residential Care		750,210	-	750,210	768,062
Supported Living		1,911,433	-	1,911,433	1,574,076
Respite Care		157,182	-	157,182	180,485
Community Choices Network		375,607	-	375,607	388,421
Rental Income		717,849	-	717,849	589,851
Central Activities		5,852	-	5,852	4,180
Investment income	3	1,446	-	1,446	1,503
Total		3,919,579	10,558	3,930,137	3,537,797
EXPENDITURE ON					
Charitable activities	5				
Residential Care		614,999	7,099	622,098	603,480
Supported Living		1,748,980	10,793	1,759,773	1,431,060
Respite Care		138,652	868	139,520	138,044
Community Choices Network		264,674	2,149	266,823	292,763
Rental Income		535,439	-	535,439	397,120
Central Activities		441,393	-	441,393	495,465
Release of covenant		-	75,430	75,430	-
Total		3,744,137	96,339	3,840,476	3,357,932
NET INCOME/(EXPENDITURE)		175,442	(85,781)	89,661	179,865
Transfers between funds	18	265,508	(265,508)	-	-
Net movement in funds		440,950	(351,289)	89,661	179,865
RECONCILIATION OF FUNDS					
Total funds brought forward		2,353,693	394,774	2,748,467	2,568,602
TOTAL FUNDS CARRIED FORWARD		2,794,643	43,485	2,838,128	2,748,467

The notes form part of these financial statements

NEW DIRECTIONS (RUGBY) LIMITED (REGISTERED NUMBER: 02647131)

**BALANCE SHEET
31ST MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	2,847,806	2,747	2,850,553	2,864,059
CURRENT ASSETS					
Debtors	12	467,280	-	467,280	545,250
Cash at bank and in hand		665,669	40,738	706,407	543,429
		<u>1,132,949</u>	<u>40,738</u>	<u>1,173,687</u>	<u>1,088,679</u>
CREDITORS					
Amounts falling due within one year	13	(237,612)	-	(237,612)	(201,571)
NET CURRENT ASSETS		<u>895,337</u>	<u>40,738</u>	<u>936,075</u>	<u>887,108</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,743,143</u>	<u>43,485</u>	<u>3,786,628</u>	<u>3,751,167</u>
CREDITORS					
Amounts falling due after more than one year	14	(948,500)	-	(948,500)	(1,002,700)
NET ASSETS		<u>2,794,643</u>	<u>43,485</u>	<u>2,838,128</u>	<u>2,748,467</u>
FUNDS	18				
Unrestricted funds				2,794,643	2,353,693
Restricted funds				43,485	394,774
TOTAL FUNDS				<u>2,838,128</u>	<u>2,748,467</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 11 August 2020 and were signed on its behalf by:

W. W. Back
W Back (Chair) - Trustee

NEW DIRECTIONS (RUGBY) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	269,885	313,232
Interest paid		(34,808)	(35,029)
Net cash provided by operating activities		235,077	278,203
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,095)	(43,443)
Sale of tangible fixed assets		750	-
Interest received		1,446	1,503
Net cash used in investing activities		(17,899)	(41,940)
Cash flows from financing activities			
Loan repayments in year		(54,200)	(27,100)
Net cash used in financing activities		(54,200)	(27,100)
Change in cash and cash equivalents in the reporting period		162,978	209,163
Cash and cash equivalents at the beginning of the reporting period		543,429	334,266
Cash and cash equivalents at the end of the reporting period		706,407	543,429

The notes form part of these financial statements

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	89,661	179,865
Adjustments for:		
Depreciation charges	32,851	33,341
Interest received	(1,446)	(1,503)
Interest paid	34,808	35,029
Decrease in debtors	77,970	89,415
Increase/(decrease) in creditors	36,041	(22,915)
Net cash provided by operations	<u>269,885</u>	<u>313,232</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank and in hand	<u>543,429</u>	<u>162,978</u>	<u>706,407</u>
	<u>543,429</u>	<u>162,978</u>	<u>706,407</u>
Debt			
Debts falling due within 1 year	(54,200)	-	(54,200)
Debts falling due after 1 year	<u>(1,002,700)</u>	<u>54,200</u>	<u>(948,500)</u>
	<u>(1,056,900)</u>	<u>54,200</u>	<u>(1,002,700)</u>
Total	<u>(513,471)</u>	<u>217,178</u>	<u>(296,293)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	= not provided
Short leasehold	= 20% on cost
Fixtures and fittings	= 25% on cost
Motor vehicles	= 25% on cost

The trustees consider that the freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the Statement of Financial Activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds that have been set aside by the charity for a specific purpose,

Restricted funds can only be used in accordance with specific restrictions imposed or which have been raised by the charity for particular purposes.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Significant estimates and key judgements

There are no significant judgements that have a material effect on the accounts nor any accounting estimates that have a high risk of causing a material adjustment in a future period.

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	10,558	11,541
Legacies	-	19,678
	<u>10,558</u>	<u>31,219</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>1,446</u>	<u>1,503</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
Residential services	Residential Care	749,117	768,062
Grants	Residential Care	1,093	-
Home care/Supported living	Supported Living	1,909,377	1,574,076
Grants	Supported Living	2,056	-
Respite care	Respite Care	157,182	180,485
Day opportunities	Community Choices Network	375,607	388,421
Rental income	Rental Income	717,849	589,851
Miscellaneous income	Central Activities	5,852	4,180
		<u>3,918,133</u>	<u>3,505,075</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Job retention scheme	<u>3,149</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £
Residential Care	622,098
Supported Living	1,759,773
Respite Care	139,520
Community Choices Network	266,823
Rental Income	535,439
Central Activities	441,393
	<u>3,765,046</u>

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	3,012,588	2,671,502
Rent	329,716	225,459
Rates and water	(10,370)	36,330
Insurance	18,611	18,926
Light and heat	37,302	32,378
Repairs and maintenance	73,561	62,350
Advertising and marketing	8,546	13,378
Telephone	26,542	24,524
Other office expenses	29,070	27,285
Food and household	32,825	36,497
Nursing and hygiene	9,297	10,800
Activities and materials	16,086	21,676
Residents costs	8,561	1,250
Technology costs	35,969	28,751
Motor and travelling	16,954	17,535
Registration fees	3,673	5,037
Staff training	12,027	23,615
Staff DBS and medical	1,936	3,173
Governance costs and training	2,211	2,528
Legal and professional	17,778	12,198
HR support	9,404	9,270
Auditors remuneration	5,100	5,100
Depreciation	32,851	33,341
Interest payable and similar charges	34,808	35,029
	<u>3,765,046</u>	<u>3,357,932</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	32,211	33,341
Other operating leases	<u>329,716</u>	<u>225,459</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

The Trustees neither received nor waived any emoluments during the year (2019 - NIL).

During the year directors liability insurance was purchased as part of a combined business insurance package and therefore cannot be quantified.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2020 nor for the year ended 31st March 2019.

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	2,775,492	2,464,628
Social security costs	185,248	167,125
Other pension costs	51,848	39,749
	<u>3,012,588</u>	<u>2,671,502</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Senior managers	3	3
Care managers	5	4
Administrative staff	6	7
Support staff	100	97
	<u>114</u>	<u>111</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	<u>1</u>	<u>1</u>

	2020 £	2019 £
Senior managers	171,414	192,321
Care managers	158,916	166,581
Administrative staff	169,264	161,452
Support staff	2,264,158	2,018,377
Agency and subcontract staff	248,836	132,771
	<u>3,012,588</u>	<u>2,671,502</u>

The senior managers line represents the remuneration paid to the key management personnel.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	31,219	31,219
Charitable activities			
Residential Care	768,062	-	768,062
Supported Living	1,574,076	-	1,574,076
Respite Care	180,485	-	180,485
Community Choices Network	388,421	-	388,421
Rental Income	589,851	-	589,851
Central Activities	4,180	-	4,180
Investment income	<u>1,503</u>	-	<u>1,503</u>
Total	<u>3,506,578</u>	<u>31,219</u>	<u>3,537,797</u>

NEW DIRECTIONS (RUGBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Residential Care	600,481	2,999	603,480
Supported Living	1,430,075	985	1,431,060
Respite Care	137,076	968	138,044
Community Choices Network	281,994	10,769	292,763
Rental Income	397,120	-	397,120
Central Activities	483,631	11,834	495,465
Total	3,330,377	27,555	3,357,932
NET INCOME	176,201	3,664	179,865

RECONCILIATION OF FUNDS

Total funds brought forward	2,177,492	391,110	2,568,602
TOTAL FUNDS CARRIED FORWARD	2,353,693	394,774	2,748,467

11. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st April 2019	2,773,377	44,025	145,242	44,775	3,007,419
Additions	1,635	-	18,460	-	20,095
Disposals	-	-	(12,900)	-	(12,900)
At 31st March 2020	2,775,012	44,025	150,802	44,775	3,014,614
DEPRECIATION					
At 1st April 2019	-	16,648	86,503	40,209	143,360
Charge for year	-	4,439	25,953	1,819	32,211
Eliminated on disposal	-	-	(11,510)	-	(11,510)
At 31st March 2020	-	21,087	100,946	42,028	164,061
NET BOOK VALUE					
At 31st March 2020	2,775,012	22,938	49,856	2,747	2,850,553
At 31st March 2019	2,773,377	27,377	58,739	4,566	2,864,059

NEW DIRECTIONS (RUGBY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	372,811	479,220
Other debtors	28,578	15,238
Prepayments and accrued income	65,891	50,792
	467,280	545,250

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 15)	54,200	54,200
Trade creditors	29,032	20,167
Social security and other taxes	47,031	37,354
Other creditors	8,059	5,053
Pension contributions	10,178	5,939
Accrued expenses	89,112	78,858
	237,612	201,571

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 15)	948,500	1,002,700

15. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	54,200	54,200
Amounts falling between one and two years:		
Bank loans - 1-2 years	54,200	54,200
Amounts falling due between two and five years:		
Bank loans - 2-5 years	162,600	162,600
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	731,700	785,900

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	334,450	227,610
Between one and five years	1,018,115	713,509
In more than five years	536,410	195,000
	<u>1,888,975</u>	<u>1,136,119</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>1,002,700</u>	<u>1,056,900</u>

The bank loans are secured on Richmond Lodge, 27 Bilton Road, Rugby CV22 7AN and Poppy Place, 1-3 Alfred Street, Rugby CV21 2EL, together with a fixed and floating charge over all the charity's other assets.

18. MOVEMENT IN FUNDS

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	2,353,693	175,442	-	2,529,135
Development and Maintenance Fund	-	-	265,508	265,508
	<u>2,353,693</u>	<u>175,442</u>	<u>265,508</u>	<u>2,794,643</u>
Restricted funds				
Residential Building Covenant	340,938	(75,430)	(265,508)	-
Transport Fund	11,171	(5,539)	-	5,632
Residential Gardening Fund	11,757	(416)	-	11,341
Day Opportunities Fund	5,269	(236)	-	5,033
Respite Fund	552	293	-	845
Communal Assets Fund	4,346	989	-	5,335
Hardship Benevolent Fund	20,741	(7,769)	-	12,972
Poppy Place Fund	-	2,327	-	2,327
	<u>394,774</u>	<u>(85,781)</u>	<u>(265,508)</u>	<u>43,485</u>
TOTAL FUNDS	<u>2,748,467</u>	<u>89,661</u>	<u>-</u>	<u>2,838,128</u>

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,919,579	(3,744,137)	175,442
Restricted funds			
Residential Building Covenant	-	(75,430)	(75,430)
Transport Fund	1,010	(6,549)	(5,539)
Residential Gardening Fund	-	(416)	(416)
Day Opportunities Fund	1,913	(2,149)	(236)
Respite Fund	1,161	(868)	293
Communal Assets Fund	2,867	(1,878)	989
Hardship Benevolent Fund	730	(8,499)	(7,769)
Poppy Place Fund	2,877	(550)	2,327
	<u>10,558</u>	<u>(96,339)</u>	<u>(85,781)</u>
TOTAL FUNDS	<u>3,930,137</u>	<u>(3,840,476)</u>	<u>89,661</u>

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	2,177,492	176,201	2,353,693
Restricted funds			
Residential Building Covenant	340,938	-	340,938
Transport Fund	11,927	(756)	11,171
Residential Gardening Fund	12,839	(1,082)	11,757
Day Opportunities Fund	8,585	(3,316)	5,269
Respite Fund	1,020	(468)	552
Community Access for Disabled People Fund	7,826	(7,826)	-
Gateway Court Computer Fund	217	(217)	-
Big Lottery Awards for All - Fit2B	1,922	(1,922)	-
Communal Assets Fund	292	4,054	4,346
Changing Places and Sensory Areas Fund	2,058	(2,058)	-
Residential vehicle fund	2,501	(2,501)	-
27a/27b Bench Fund	985	(985)	-
Hardship Benevolent Fund	-	20,741	20,741
	<u>391,110</u>	<u>3,664</u>	<u>394,774</u>
TOTAL FUNDS	<u>2,568,602</u>	<u>179,865</u>	<u>2,748,467</u>

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,506,578	(3,330,377)	176,201
Restricted funds			
Transport Fund	2,917	(3,673)	(756)
Residential Gardening Fund	20	(1,102)	(1,082)
Day Opportunities Fund	884	(4,200)	(3,316)
Respite Fund	500	(968)	(468)
Community Access for Disabled People Fund	-	(7,826)	(7,826)
Gateway Court Computer Fund	-	(217)	(217)
Big Lottery Awards for All - Fit2B	-	(1,922)	(1,922)
Communal Assets Fund	4,855	(801)	4,054
Changing Places and Sensory Areas Fund	-	(2,058)	(2,058)
Residential vehicle fund	-	(2,501)	(2,501)
Tesco - Groundwork Fund	1,302	(1,302)	-
27a/27b Bench Fund	-	(985)	(985)
Hardship Benevolent Fund	20,741	-	20,741
	<u>31,219</u>	<u>(27,555)</u>	<u>3,664</u>
TOTAL FUNDS	<u>3,537,797</u>	<u>(3,357,932)</u>	<u>179,865</u>

Residential building covenant

One of the buildings originally owned by New Directions (Rugby) Limited was the subject of a covenant which restricted its use to providing residential accommodation to people with learning disabilities. This property was sold and the amount shown in the Residential Building Covenant Fund represents the proceeds from the sale which had to be used to provide residential accommodation for people with learning disabilities under the conditions of the original covenant. During the year New Directions (Rugby) Limited paid £70,000 plus costs to obtain the release from this covenant. This will enable the charity to utilise the property as security in the future when opportunities arise to acquire additional suitable accommodation.

19. RELATED PARTY DISCLOSURES

An amount of £3,127 (2019 - £4,687) was paid to Leader Systems LLP, a limited liability partnership of which P A Jenkins is a 60% partner, for the provision of alarm maintenance services.

NEW DIRECTIONS (RUGBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2020

20. COMPANY STATUS

The Charity is a company limited by guarantee. All members guarantee an amount not to exceed £10 payable in the event of the company being wound up with a deficiency of assets. At 31st March 2020 there were 47 members (2019 - 51 members).