

# **RESPONSE ORGANISATION**

## **Annual Report and Consolidated Financial Statements**

**for the year ended 31st March 2020**



**Response Organisation**  
**Trustees' Report**  
**Year ended 31st March 2020**

---

**Contents**

**Page**

1 - 9	Report of the Trustees
10 - 11	Report of the Auditors
12	Consolidated Statement of Financial Activities
13	Charity Statement of Financial Activities
14	Balance Sheets
15	Consolidated Cash Flow Statement
16 - 28	Notes to the Accounts

## Response Organisation

### Trustees' Report (continued) Year ended 31st March 2020

---

#### Directors and Charity Trustees

The directors of the Charity are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The current Trustees and those that served throughout the year ending 31st March 2020 are:

Dr Robert Sutcliffe (*Chairman*)  
Paul O'Hare (resigned 31st July 2020)  
Dr Peter Agulnik (resigned 22nd October 2019)  
Pat Armstrong  
David Boswell (resigned 1st September 2020)  
Philip Davison  
Roger Harwood (resigned 7th January 2020)  
Andrew Morgan-Giles  
Hazel Nicholson  
Tania Wilson  
David Edwards (appointed 7th January 2020)

#### Company Secretary

Penny Gardner (appointed 7th January 2020)  
Ifeyanyi Maijeh (resigned 15th September 2019)

#### Executive Officers

*Chief Executive:* John McLaughlin  
*Director of Service Delivery & Deputy CEO:* Angelo Fernandes  
*Director of Housing & Property:* Catherine Clemmow  
*Director of Finance & Information:* Penny Gardner

#### Registered Office

A G Palmer House  
Morrell Crescent  
Littlemore  
Oxford  
OX4 4SU

#### Auditors

Wenn Townsend  
30 St Giles  
Oxford  
OX1 3LE

#### Bankers

Barclays Bank plc  
PO Box 858  
Oxford  
OX2 0JB

#### Solicitors

Freeths LLP  
5000 Oxford Business Park South  
Oxford  
OX4 2BH

**Registered charity number** 1101071

**Registered company number** 4781936

**Response Organisation**  
**Trustees' Report (continued)**  
**Year ended 31st March 2020**

---

The Trustees present their report and the audited financial statements of the Charity and its subsidiary for the year ended 31st March 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

As of 1st April 2018, Response Organisation gained effective control of Raw Workshop, a charitable company registered in England and Wales (registered charity number: 1014416). These accounts therefore consolidate the results of both entities from 2018/19.

**Reference and Administrative Details**

Response Organisation is a charitable company limited by guarantee. It is registered as a charity (No. 1101071) and a company (No. 4781936). Details of Trustees, officers and external advisers are given on page 1.

**Structure, Governance and Management**

Response Organisation is governed by its Memorandum and Articles of Association. The Board of Trustees is responsible for the overall governance of the charity. The Board meets ten times a year. The quorum of the Board is five Trustees and for any Committee is three; the minimum number of Trustees is five and the maximum number of Trustees is twelve.

The present membership of the Board of Trustees is set out on page 1. A regular skills audit is carried out to ensure that the Trustee body has the appropriate mix of skills and experience. New Trustees receive an induction pack containing detailed information about Response Organisation, its organisation and its work. Trustees are encouraged to undertake a skills audit and to attend training sessions in order to develop their knowledge and skills. The Trustees actively encourage the participation of users and carers in the working of the charity. A representative of the Response Organisation DSD Friends and Family Network is a Trustee and the Trustees continue to encourage user representation on the Board with a view towards appointing one or more residents as full Board members. The Board presents a summary of the year's activity to an Annual Public Meeting held each year for users, carers, staff, stakeholders and the wider community.

Election and re-election of Trustees is carried out by approval by the Board of Trustees. Executive officers are consulted regarding all appointments. Trustees are appointed for a period of three years after which they are required to retire by rotation at an annual general meeting. Trustees who so retire, may, if willing to act, be reappointed up to a maximum total term of nine years. A Trustee's term of office may also be ended by resignation or by removal, if necessary, by the Board and in accordance with the Memorandum and Articles of Association.

The Chief Executive is responsible for the day to day management of Response Organisation's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by a team of senior managers.

*Committees*

The Board has established two formally constituted sub-committees, each with specific terms of reference and functions delegated by the Board. These are:-

- Finance
- Performance

The Finance Committee meets at least six times a year and oversees all financial aspects of the Charity's operations so as to ensure short and long term viability. It reviews the annual budget and monitors performance against it and financial forecasts. It also considers all aspects of the properties that Response Organisation owns or occupies and makes recommendations to the Board. It is chaired by the Honorary Treasurer.

The Performance Committee meets bimonthly and ensures delivery of the organisation's targets and strategies. It provides monitoring of overall compliance within the organisation and allows appropriate scrutiny and review in respect of quality, staffing, activity, information management and technology and risk. It is chaired by a Trustee.

**Response Organisation**  
**Trustees' Report (continued)**  
**Year ended 31st March 2020**

---

**Structure, Governance and Management (continued)**

In Addition to the above committees:

Response Giving considers requests for financial support from carers, support workers and other health professionals on behalf of individuals with mental health issues living in the community (not necessarily in our services). Donations are made to help such individuals with the practical aspects of daily living. Response Giving is chaired by a Trustee.

Formal minutes of Finance & Performance committees are circulated to all Board members.

**Key Management Personnel Remuneration**

The Trustees consider the Trustees and Executive Officers as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 7 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the Executive Officers is reviewed annually. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

**Our Aims and Objectives**

*Purposes and Aims*

Our charity's purposes as set out in the objects contained in the charitable company's memorandum of association are to:

- benefit the public by supporting the statutory services to provide services for people with enduring mental health problems and/or complex needs and
- provide appropriate mental health care and support services that are readily accessible to those who need them so that they can maintain optimum levels of independence.

*Ensuring our work delivers our aims*

We review our aims, objectives and activities each year. The review looks at what we achieved and the outcomes of our work in the previous twelve months; at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. We have referred to the guidance contained 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 set.

*The focus of our work*

- We believe that everyone has the right to high quality accommodation, care and support and that these are vital components of mental wellness.
- We recognise that in order to continually improve the services we offer, we need to listen to and be guided by the people who use or come into contact with our services.
- We believe that in order to provide high quality services we need to invest in our staff team and help them develop their skills.

**Strategic Report**

**Our Mission:**

'Our mission is to enable people with mental health problems and complex needs to live their lives to the full'

**Our Values:**

- Caring
- Safe
- Aspirational
- Creative

**Response Organisation**  
**Trustees' Report (continued)**  
**Year ended 31st March 2020**

---

**Our Strategic Goals:**

1. We will be operationally excellent; evidenced by high levels of Service User, Carer, Staff and Stakeholder involvement and satisfaction.
2. We will make an outstanding success of all our Partnership by providing the necessary skills, expertise, resources.
3. We will continue to improve our choice for the experience of service users by extending our range of services including property and housing options.
4. We will expand these services into the neighboring areas, in particular the Thames Valley, in an innovative and sustainable way.
5. Response will be an employer of choice. We will invest in our staff expertise; provide excellent training and education opportunities and the best terms and conditions possible.

**How our activities deliver public benefit**

Our main activities and who we try to help are described below. All our charitable activities focus on improving the lives of people with enduring mental health issues and complex needs

*Who used and benefited from our services*

Response Organisation provides supported accommodation to over three hundred adult residents with enduring mental health problems and complex needs in a mix of projects. From very high support with staffing twenty four hours a day to individual flats with intensive housing management Response Organisation offers a variety of services to meet the needs and aspirations of its residents. A key feature is that people should be able to move between types of support, care and accommodation according to their individual needs.

Response also works in partnership with Oxford Health and 7 local charities to deliver Child and Adolescent Mental Health Services. Response and Oxford Health also work in partnership to deliver the new Mental Health Support to Schools.

In March we launched a new service (The Mental Wealth Academy) funded by the Department of Health and Social Care. This service is delivered in partnership with other charities and provides mental health support to 18-25year olds.

In early 2020 Response were awarded the contract to provide housing for 16-17year olds across Oxfordshire as part of the Young People Supported Housing Pathway. The support for this age group will be provided by Oxfordshire County Council. Response were also awarded the contract to provide housing and support for 18-24year olds in the Young People Housing Pathway. Response will be subcontracting the support element of this service to Oxfordshire Youth.

1. We will be operationally excellent; evidenced by high levels of Service User, Carer, Staff and Stakeholder involvement and satisfaction.

We recognise that in order to continually improve the services we offer, we need to listen to and be guided by the people who use or come into contact with our services. We have consistently received very positive feedback from the friends and family of the residents whom we support.

We have developed our own bespoke quality system RESET which we use to internally assess the quality of all the services we provide. We have a dedicated quality team within the organisation who monitor individual services performance against this system.

We brought forward the roll out of a new internal communications platform 'Beekeeper', this enables easier communication across all levels of the organisation.

2. We will make an outstanding success of Oxfordshire Mental Health Partnership by providing the necessary skills, expertise, resources.

The Oxfordshire Mental Health Partnership is now in its 5<sup>th</sup> year, the Partnership continues to perform very well against the outcomes in the overall contract. The partnership contract has been extended until 2023. We will be working closely with partners and commissioners to review the effectiveness of all the services we offer.

**Response Organisation**  
**Trustees' Report (continued)**  
**Year ended 31st March 2020**

---

**How our activities deliver public benefit (continued)**

Response continues to seek out new opportunities to work in partnership with other organisations to ensure we deliver maximum impact.

3. We will continue to improve our choice for the experience of service users by extending our range of services including property and housing options.

The number of homes we manage has further increased this year, securing properties in Oxfordshire. The new Children and Young Peoples Supported Housing Pathway will see the number of support placements increase by nearly 40%.

The new Mental Wealth Academy means that Response is now able to offer dedicated support to young people aged 18-25.

4. We will expand these services into the neighbouring areas, in particular the Thames Valley, in an innovative and sustainable way.

We have started work on a new service in Aylesbury Buckinghamshire. The service will offer intensive 24-hour support to individuals with significant mental health issues. The building 'Harwood House' was secured on Responses behalf by the Thomas Hickman Trust. Significant refurbishment is required, and it is anticipated that it will be ready in late 2020. This is particularly significant as it means Response will have achieved its ambition to provide services across the Thames Valley.

5. Response will be an employer of choice. We will invest in our staff expertise; provide excellent training and education opportunities and the best terms and conditions possible.

We believe that this is essential to continued success of the charity. We have introduced an employee assistance program which provides professional employee support services who are available to provide advice and support 24 hours a day, 365 days a year. They employ professional, qualified counsellors and Information Specialists who are experienced in helping people deal with all kinds of situations, including health and well-being, anxiety and depression, debt, bereavement, smoking, drinking, gambling and much more.

We continually benchmark the terms and conditions we offer to ensure we remain competitive and have developed a reward scheme to ensure that our staff are paid at the best rates we can achieve.

**Organisational development**

Quality in our services is of paramount importance to us in all areas of our charitable activity. We rely heavily on the excellence of our staff to help us to achieve, maintain and exceed the high standards of care and support we set ourselves. We are always keen to benchmark our achievements and as a result have undergone various assessment processes to judge our progress.

- Response holds Investors in People Gold status.
- Response has developed an organisation wide Quality Assurance system (ReSET)
- Going forward Response will be developing its own unique model of service delivery. This new model will be underpinned by a standardization of qualification across all staff groups and will also offer the opportunity to staff to specialize in certain areas.

**Financial Review and Results for the Year**

The Statement of Financial Activities, set out on page 12, reflects all income receivable in the year.

The Group surplus for the year was £434,623 (2019: £368,288). This surplus includes £65,509 (2019: £223,377) of net income from donations into restricted funds for the cost of renovations of properties to provide care and support services. Excluding this exceptional, non-recurring item the surplus was £369,114 (2019: £144,911). The organisation has benefitted from continuing low interest rates charged against its mortgage liabilities which stood at £1,998,496 at the year- end (2019: £2,109,664).

The Group balance sheet remains strong with net current assets of £1,544,720 (2019: £1,240,662) and net assets of £8,234,373 (2019: £7,799,750).

## Response Organisation

### Trustees' Report (continued) Year ended 31st March 2020

---

#### Financial Review and Results for the Year (continued)

Response Organisation uses various financial and non-financial key performance indicators (KPIs) to measure the performance of the organisation and to establish and understand trends over time. Examples of such KPIs for the Charity include:

Year Ended	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of Residents	332	342	359	398
Total Income £'000	7,873	9,158	9,115	10,225
Net Income £'000	62	798	331	349
Net Current Assets £'000	413	1,197	1,120	1,357
Current Assets: Current Liabilities	1.5	2.5	2.1	1.6

The KPIs show consistent growth over the last four years in terms of resident numbers and both total and net income. Net current assets and the ratio of current assets:current liabilities shows that Response Organisation has maintained a strong working capital position over the last four years. The working capital position at 31st March 2020 is considered to be satisfactory.

#### Reserves Policy

Each year the Trustees consider Response Organisation's exposure to the risk of any significant loss of income or unforeseen cost. The nature of our contracts means that any major change would require at least six months' notice which would enable us to put in place additional funding if it should be needed. Also, the nature of the work that we do means that the risk of major unforeseen expenditure is remote. However, we consider it prudent to maintain the amount we hold as free reserves at one month's budgeted income, (previously six weeks) to enable us to weather any short term delays in contract payments.

Free reserves available for use by Response Organisation exclude restricted funds, tangible fixed assets and creditors falling due after more than one year.

	<b>2019</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Free reserves required	1,027	846
Free reserves held	889	1,105

The Trustees note the free reserves held as of 31st March 2020 are above the reserve policy. These reserves are held in low risk interest bearing accounts with Barclays Bank which has proved a prudent and effective course of action over the past few years.

#### Risk management and internal control

The Trustees have introduced a formal risk management process to assess business risk and implement risk management strategies. This has involved identifying the types of risks Response Organisation faces, prioritising them in terms of potential impact and likelihood of occurrence and then identifying and implementing ways of mitigating them.

The following risks have been identified as the most significant the organisation faces:

- COVID 19- The global pandemic had a major impact on everything Response does, all activities now include COVID 19 risk assessments
- Financial sustainability – We recognise that a diverse range of income streams and substantial capital reserves are the best protection against changes of policy within the public bodies with whom we deal. We are following a number of avenues in pursuit of this objective.
- An increasingly competitive operating environment generally and the risk of potential new entrants into our markets are recognised as operating risks.
- Recruitment, training and retention of staff – we recognise that our staff are key to providing the quality of service which our residents want and need. As discussed later in the section on Employees we are committed to ensuring that Response Organisation is a place where staff want to work.



## Response Organisation

### Trustees' Report (continued) Year ended 31st March 2020

---

- Investment in infrastructure – we recognise that we need to maintain an infrastructure and support systems that are fit for purpose. To manage this risk we aim to continually invest in our systems and infrastructure in the context of organisational priorities and financial constraints.
- Mortgage interest rates – Response Organisation has a significant mortgage liability. The Trustees have taken the opportunity created by low interest rates to fix the maximum rate payable on these mortgages for periods of up to ten years.

The Trustees have reviewed Response Organisation's current internal controls and the costs of operating particular controls relative to the benefits. The internal systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the Trustees
- Regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators
- Delegation of day to day management authority and segregation of duties.

#### **Covid 19**

In March 2020 like many other organisations we began to implement our Business Continuity plan in light of the imminent threat of the Global Pandemic Covid 19. All our services were risk assessed and those supporting the most vulnerable instigated a visitor restriction protocol (this was a number of weeks before Government instructions). Our 2 main offices shut down on 16th March 2020 and all staff who could work from home were instructed to do so. As with the majority of the health and social care sector, our organisation struggled to access appropriate PPE and testing for our client and staff population. Our partnerships particularly the Adult Mental Health Partnership allowed us share learning and resources throughout the pandemic and indeed our close working relationship with Oxfordshire Mental Healthcare NHS Trust proved to be an invaluable resource during the most difficult of times. Infection rates within our client and staff population have thankfully remained low but we have witnessed the devastating effect the virus has had on some individuals.

As we prepare for the future, we must accept that Covid 19 will be a risk that we must manage and find ways of working that continue to protect as far as possible the health and wellbeing of clients and staff. We are particularly concerned with the mental wellbeing of both groups and will be implementing strategies and targeting resources to ensure that we do this.

#### **Investment Policy**

Under the Memorandum and Articles of Association the charity has the power to make any investments which the Trustees deem appropriate. The Trustees apply their judgement and expertise in making decisions on investments. The majority of the charity's assets are in freehold property used to provide accommodation for our residents. Any spare funds are held in short term bank deposits and bank accounts with Barclays. This avoids risk of capital loss and gives the necessary flexibility to enable the Trustees to quickly respond to changes in demand for services by purchasing additional properties and/or upgrading existing properties.

#### **Employees**

Response Organisation aims to be an "employer of choice" where employees want to work, enjoy a sense of fulfilment in what they do and where they feel involved, supported and developed. Employees are involved in defining our corporate strategies and objectives and we continually ask ourselves how well we are doing in terms of managing and involving our employees.

Staff are involved in the running of the business via the Employee Network, away days, staff and team meetings and we assess our progress against our corporate objectives regularly. We also seek external independent assessment in order that we can benchmark ourselves against other organisations inside and outside of our working sector. We are committed to a policy of equality, diversity and inclusion regardless of gender, sexual orientation, race, colour, nationality, religion, ethnic or national origins, culture, disability, marital status, age, economic class, language or working arrangements, in respect of the people to whom we provide a service, to our staff, prospective job applicants of both salaried and voluntary posts and members of our Board. We believe that everyone should be valued and that our differences should be celebrated.

## Response Organisation

### Trustees' Report (continued) Year ended 31st March 2020

---

#### Employees (continued)

The charity is very aware of the needs of disabled people and reviews ways in which practical assistance can be given by alteration to work sites. Care is taken to ascertain from new disabled employees, or from employees who may develop disabilities, what assistance they may require to enable them to fulfil their duties. Response Organisation has recently been awarded the disability employer charter mark.

The charity continues to hold and value its Investor in People (IIP) gold status. It is a credit to the skills, experience and leadership abilities of all of our staff that our commitment to our employees, our residents and our service users has remained at the very highest standard.

Response Organisation is committed to the training, career development and promotion of all employees. An individual's career development and aspirations are assessed within an annual appraisal system and regular supervisions provide review and support during the year. Training programmes are designed and delivered to meet mandatory needs as well as meeting further development needs with the aim of preparing employees for both their current and future roles. This emphasis on training is demonstrated by the receipt of national training accolades and the IIP award.

#### Pensions

Response Organisation continues to operate a defined contribution pension scheme with Friends Life. For those employees who are not members of the Friends Life scheme, in August 2014 Response Organisation introduced automatic enrolment into a defined contribution workplace pension scheme with The People's Pension. The pensions offered and provided to employees exceed The Pensions Regulator's requirements.

#### Funds held on behalf of third parties

At 31st March 2020 Response Organisation held funds totalling £237k (2019: £651k) on behalf of residents. The transactions and assets associated with residents' funds are accounted for separately and are not included within the financial statements of Response Organisation. Residents' funds are held in separate bank accounts and specific controls are in place to safeguard these funds.

#### Future Plans

We believe that Response Organisation has a sound financial basis upon which to build for the future. We will continue to take every opportunity to explore and develop new services and models of delivery. We will continue to seek out opportunities to improve the standard of accommodation we can offer to residents as we believe that this is a valuable aid to improving their mental wellness.

We will continue to develop our partnerships with other organisations and will seek ways of assisting other charities in the mental health sector. We will investigate opportunities for new contracts outside of Oxfordshire; provided they are relatively nearby and provided we can make a real difference to the lives of those new clients without affecting current activities.

Our Children and Young Peoples services continue to grow, the new Young Peoples Supported Housing Pathway will have a significant impact on the charity both in terms of social impact and income. We will be working to ensure that the quality of housing and support is of the highest possible quality.

As the charity is experiencing significant growth, we will be reviewing our strategic plan and overall governance processes to facilitate this growth. We will be carrying out a board skills audit with the intention of adding board expertise in certain areas particularly Children and Young People.

We will open our first service in Buckinghamshire and will continue to look for opportunities across the Thames Valley.

We will be introducing our own unique model of support which will see significant investment in staff training so that they are provided with the necessary skills in evidence based interventions to deliver maximum impact.

## **Response Organisation**

### **Trustees' Report (continued) Year ended 31st March 2020**

---

#### ***Statement of Trustees' Responsibilities***

The Trustees (who are also directors of Response Organisation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including 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 the Trustees to prepare financial statements for each financial period, 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 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 2015 (FRS 102);
- 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 operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 auditor is 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 auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

**Signed on behalf of the Trustees**

**Dr R Sutcliffe - Chairman**

**3rd November 2020**

## Response Organisation

### Independent Auditor's report to the members of Response Organisation

---

#### Opinion

We have audited the financial statements of Response Organisation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Group and Charity Balance Sheets, the Consolidated 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 parent charitable company's affairs as at 31st 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 and parent 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 group's or parent 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 trustees' 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 the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

## Response Organisation

### Independent Auditor's report to the members of Response Organisation

---

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime, and take advantage of small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 and parent 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 group or the parent 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](http://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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Graham Cole BA FCA (Senior Statutory Auditor)**

**For and on behalf of Wenn Townsend**

**Chartered Accountants and Statutory Auditor, 30 St Giles, Oxford OX1 3LE**

**3rd November 2020**

**Response Organisation**  
**Consolidated Statement of Financial Activities (including income and expenditure account)**  
**for the year ended 31st March 2020**

	Note	Unrestricted Funds 2020 £	Group Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Group Restricted Funds 2019 £	Total 2019 £
<b>Income from:</b>							
<i>Voluntary income</i>	2	2,000	65,509	67,509	23,600	231,597	255,197
<i>Activities for generating funds-</i>							
Response Giving and Coasters		6,158	-	6,158	3,866	-	3,866
Raw Workshop	18	-	321,107	321,107	-	183,596	183,596
Investment income	3	7,759	-	7,759	4,682	44	4,726
		<u>15,917</u>	<u>386,616</u>	<u>402,533</u>	<u>32,148</u>	<u>415,237</u>	<u>447,385</u>
<i>Charitable activities</i>							
Housing		5,089,581	-	5,089,581	4,638,398	-	4,638,398
Adult services		4,398,419	-	4,398,419	4,038,028	-	4,038,028
Children services		440,996	162,700	603,696	119,778	-	119,778
Other income		52,036	-	52,036	48,968	-	48,968
Raw Workshop		-	416,097	416,097	-	225,279	225,279
		<u>9,981,032</u>	<u>578,797</u>	<u>10,559,829</u>	<u>8,845,172</u>	<u>225,279</u>	<u>9,070,451</u>
<b>Total income</b>		<u>9,996,949</u>	<u>965,413</u>	<u>10,962,362</u>	<u>8,877,320</u>	<u>640,516</u>	<u>9,517,836</u>
<b>Expenditure on:</b>							
<i>Cost of raising funds</i>							
Response Giving		2,942	-	2,942	988	-	988
Raw Workshop	18	-	87,211	87,211	-	63,595	63,595
<i>Charitable activities</i>	4						
Housing		4,255,609	12,330	4,267,939	3,990,509	8,220	3,998,729
Adult services		5,022,360	-	5,022,360	4,661,873	-	4,661,873
Children services		354,193	162,700	516,893	80,250	-	80,250
Raw Workshop	18	-	630,394	630,394	-	344,113	344,113
		<u>9,635,104</u>	<u>892,635</u>	<u>10,527,739</u>	<u>8,733,620</u>	<u>415,928</u>	<u>9,149,548</u>
<b>Total expenditure</b>		<u>9,635,104</u>	<u>892,635</u>	<u>10,527,739</u>	<u>8,733,620</u>	<u>415,928</u>	<u>9,149,548</u>
<b>Net income</b>		<u>361,845</u>	<u>72,778</u>	<u>434,623</u>	<u>143,700</u>	<u>224,588</u>	<u>368,288</u>
Funds acquired on control of Raw Workshop at 1st April 2018	18	-	-	-	-	206,056	206,056
<b>Reconciliation of funds</b>							
<b>Fund balances brought forward at 1st April 2019</b>		<u>7,002,806</u>	<u>796,944</u>	<u>7,799,750</u>	<u>6,859,106</u>	<u>366,300</u>	<u>7,225,406</u>
<b>Fund balances carried forward at 31st March 2020</b>		<u>7,364,651</u>	<u>869,722</u>	<u>8,234,373</u>	<u>7,002,806</u>	<u>796,944</u>	<u>7,799,750</u>

The statement of financial activities includes all gains and losses in the year. All income derives from continuing activities.

The notes on pages 16 to 28 form part of these accounts.

**Response Organisation**  
**Charity Statement of Financial Activities (including income and expenditure account)**  
**for the year ended 31st March 2020**

Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
<b>Income from:</b>						
Voluntary income	2,000	65,509	67,509	29,308	231,597	260,905
Activities for generating funds	6,158	-	6,158	3,866	-	3,866
Investment income	7,759	-	7,759	4,682	-	4,682
	<u>15,917</u>	<u>65,509</u>	<u>81,426</u>	<u>37,856</u>	<u>231,597</u>	<u>269,453</u>
<i>Charitable activities</i>						
Housing	5,089,581	-	5,089,581	4,638,398	-	4,638,398
Adult services	4,398,419	-	4,398,419	4,038,028	-	4,038,028
Children services	440,996	162,700	603,696	119,778	-	119,778
Other income	52,036	-	52,036	48,968	-	48,968
	<u>9,981,032</u>	<u>162,700</u>	<u>10,143,732</u>	<u>8,845,172</u>	<u>-</u>	<u>8,845,172</u>
<b>Total income</b>	<u>9,996,949</u>	<u>228,209</u>	<u>10,225,158</u>	<u>8,883,028</u>	<u>231,597</u>	<u>9,114,625</u>
<b>Expenditure on:</b>						
<i>Cost of raising funds</i>						
Response Giving	2,942	-	2,942	988	-	988
<i>Charitable activities</i>	4					
Housing	4,321,479	12,330	4,333,809	4,032,217	8,220	4,040,437
Adult services	5,022,360	-	5,022,360	4,661,873	-	4,661,873
Children services	354,193	162,700	516,893	80,250	-	80,250
	<u>9,700,974</u>	<u>175,030</u>	<u>9,876,004</u>	<u>8,775,328</u>	<u>8,220</u>	<u>8,783,548</u>
<b>Total expenditure</b>	<u>9,700,974</u>	<u>175,030</u>	<u>9,876,004</u>	<u>8,775,328</u>	<u>8,220</u>	<u>8,783,548</u>
<b>Net income</b>	<u>295,975</u>	<u>53,179</u>	<u>349,154</u>	<u>107,700</u>	<u>223,377</u>	<u>331,077</u>
<b>Reconciliation of funds</b>						
<b>Fund balances brought forward at 1st April 2019</b>	<u>7,028,903</u>	<u>589,677</u>	<u>7,618,580</u>	<u>6,921,203</u>	<u>366,300</u>	<u>7,287,503</u>
<b>Fund balances carried forward at 31st March 2020</b>	<u>7,324,878</u>	<u>642,856</u>	<u>7,967,734</u>	<u>7,028,903</u>	<u>589,677</u>	<u>7,618,580</u>

The statement of financial activities includes all gains and losses in the year.  
All income and expenditure derives from continuing activities. **The notes on pages 16 to 28 form part of these accounts.**

## Response Organisation

### Balance Sheet 31st March 2020

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
<b>Fixed assets</b>					
Tangible fixed assets	9	8,865,712	8,786,807	8,790,328	8,730,268
<b>Current assets</b>					
Debtors	10	1,659,480	1,582,684	675,078	645,476
Cash at bank and in hand		2,222,251	2,027,946	1,691,897	1,525,584
		<u>3,881,731</u>	<u>3,610,630</u>	<u>2,366,975</u>	<u>2,171,060</u>
<b>Current liabilities</b>					
Creditors' amounts falling due within one year	11	(2,337,011)	(2,253,644)	(1,126,313)	(1,051,508)
<b>Net current assets</b>		<u>1,544,720</u>	<u>1,356,986</u>	<u>1,240,662</u>	<u>1,119,552</u>
<b>Total assets less current liabilities</b>		<u>10,410,432</u>	<u>10,143,793</u>	<u>10,030,990</u>	<u>9,849,820</u>
<b>Deduct: Creditors due after one year</b>	12	(2,176,059)	(2,176,059)	(2,231,240)	(2,231,240)
<b>Net assets</b>		<u><u>8,234,373</u></u>	<u><u>7,967,734</u></u>	<u><u>7,799,750</u></u>	<u><u>7,618,580</u></u>
<b>Funds</b>					
Unrestricted funds	14	7,364,651	7,324,878	7,002,806	7,028,903
Restricted funds	14	869,722	642,856	796,944	589,677
		<u><u>8,234,373</u></u>	<u><u>7,967,734</u></u>	<u><u>7,799,750</u></u>	<u><u>7,618,580</u></u>

The financial statements on pages 12 to 28 were approved by the Trustees on 3rd November 2020 and signed on their behalf by:

**Dr R Sutcliffe – Chairman**

Registered number: 4781936

**The notes on pages 16 to 28 form part of these accounts.**



Response Organisation

Consolidated Statement of Cash Flows  
for the year ended 31st March 2020

	Note	Group 2020 £	Charity 2019 £
<b>Net cash flow from operating activities</b>	15	1,009,002	1,016,155
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(267,585)	(493,882)
Interest received		7,759	4,726
<b>Net cash flow from investing activities</b>		(259,826)	(489,156)
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(111,168)	(109,925)
Interest paid		(107,654)	(89,239)
<b>Net cash flow from financing activities</b>		(218,822)	(199,164)
<b>Net increase in cash and cash equivalents</b>		530,354	327,835
<b>Cash and cash equivalents at 1st April 2019</b>		1,691,897	1,364,062
<b>Cash and cash equivalents at 31st March 2020</b>		2,222,251	1,691,897
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		2,222,251	1,691,897

The notes on pages 16 to 28 form part of these accounts.

## **1. Summary of significant accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered to be material in relation to the Charity's and Group's accounts.

### **a) General information and basis of preparation**

Response Organisation is a company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees Report.

The charity constitutes a public benefit entity as defined by FRS 102. These accounts have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The accounts are consolidated to include the results of Raw Workshop, with effect from 1st April 2018. Response Organisation gained control of this charity from that date as a result of it being the sole member of Raw, and thus having the power to appoint or remove its board members. The activities of Raw are deemed to contribute to the overall charitable aims of Response.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### **b) Funds**

Unrestricted funds are funds which Response Organisation may use in the furtherance of its charitable objectives at the discretion of the Trustees.

Restricted funds are where the donor specifies a purpose for which these funds must be spent.

### **(c) Income recognition**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

**1. Summary of significant accounting policies (continued)**

**(c) Income recognition (continued)**

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

The charity receives government grants in respect of supported housing contracts. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

**(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs associated with voluntary fundraising;
- Expenditure on charitable activities includes costs relating to those activities listed on the SoFA and in note 4; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**(f) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Items of £500 and over of a fixed asset nature are capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	Not depreciated
Freehold land	Not depreciated
Leasehold land and buildings	Straight line over the life of the lease
Improvements to leasehold property	Straight line over the life of the lease
Office fixtures and fittings	33% Straight line
Equipment and furniture	25% Straight line
Vehicles	25% Straight line

**1. Summary of significant accounting policies (continued)**

**(f) Tangible fixed assets (continued)**

Depreciation is not charged on freehold property as the properties are maintained to a high standard, are not seen as diminishing in value, and therefore any depreciation charge would be immaterial. Properties are reviewed for impairment annually.

**(g) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**(h) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**(i) Operating leases**

Rentals paid under operating leases are charged to income as incurred.

**(j) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**(k) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**(l) Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including a revision of expectations for the potential impact of COVID-19 on the charity. They have concluded that the budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

**(m) Judgements and key sources of estimation uncertainty**

The Trustees consider that the amount provided for dilapidations on leasehold properties is the only significant area of judgement and estimation uncertainty. This liability has been included based on a review of property conditions, and historically incurred costs on previous expired leases.

## Response Organisation

### Notes to the Accounts For the year ended 31st March 2020

#### 2. Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations	2,000	65,509	67,509	255,197

#### 3. Investment income

Bank deposit interest	7,759	-	7,759	4,726
-----------------------	-------	---	-------	-------

#### 4. Charitable activities – expenses

##### Group 2020

	Staff costs £	Other direct Costs £	Support costs £	Total 2020 £	Total 2019 £
Housing	474,450	3,436,633	356,855	4,267,938	3,998,729
Adult services	3,662,034	370,324	990,002	5,022,360	4,661,873
Children's services	208,529	199,348	109,016	516,893	80,250
Raw Workshop	232,117	218,276	180,001	630,394	344,113
	4,577,130	4,224,581	1,635,874	10,437,585	9,084,965

##### Charity 2020

	Staff costs £	Other direct Costs £	Support costs £	Total 2020 £	Total 2019 £
Housing	474,450	3,502,503	356,856	4,333,809	4,040,437
Adult services	3,662,034	370,324	990,002	5,022,360	4,661,873
Children's services	208,529	199,348	109,016	516,893	80,250
	4,345,013	4,072,175	1,455,874	9,873,062	8,782,560

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

**4. Charitable activities – expenses continued**

**Group 2019**

	<b>Staff costs</b>	<b>Other direct Costs</b>	<b>Support costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£	£
Housing	408,428	3,208,818	381,483	3,998,729	3,572,676
Adult services	3,440,458	310,964	910,451	4,661,873	4,716,740
Children's services	11,770	24,123	44,357	80,250	68,779
Raw Workshop	158,940	16,045	169,128	344,113	-
	<b>4,019,596</b>	<b>3,559,950</b>	<b>1,505,419</b>	<b>9,084,965</b>	<b>8,358,195</b>

**Charity 2019**

	<b>Staff costs</b>	<b>Other direct Costs</b>	<b>Support costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£	£
Housing	408,428	3,250,526	381,483	4,040,437	3,572,676
Adult services	3,440,458	310,964	910,451	4,661,873	4,716,740
Children's services	11,770	24,123	44,357	80,250	68,779
	<b>3,860,656</b>	<b>3,585,613</b>	<b>1,336,291</b>	<b>8,782,560</b>	<b>8,358,195</b>

**5. Support Costs by Activity**

**Group**

	<b>Governance Costs</b>	<b>Staff Costs</b>	<b>Facilities Costs</b>	<b>General Office Costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£	£	£
Housing	9,429	197,141	10,160	140,125	356,855	381,484
Adult services	22,467	302,072	104,354	561,109	990,002	910,451
Children's services	2,839	58,027	4,963	43,187	109,016	44,357
Raw Workshop	8,498	71,344	37,656	62,503	180,001	169,128
	<b>43,233</b>	<b>628,584</b>	<b>157,133</b>	<b>806,924</b>	<b>1,635,874</b>	<b>1,505,420</b>

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

**5. Support Costs by Activity continued**

**Charity**

	<b>Governance Costs £</b>	<b>Staff Costs £</b>	<b>Facilities Costs £</b>	<b>Office Costs £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Housing	9,429	197,141	10,160	140,125	356,855	381,484
Adult services	22,467	302,073	104,354	561,109	990,002	910,451
Children's services	2,839	58,027	4,962	43,187	109,016	44,357
	<u>34,735</u>	<u>557,241</u>	<u>119,476</u>	<u>744,421</u>	<u>1,455,873</u>	<u>1,336,292</u>

**6. Governance Costs**

	<b>2020 £</b>	<b>2019 £</b>
Audit fees - for group audit	12,000	11,000
- for non-audit work - current year	2,000	1,700
Trustee Liability Insurance	-	1,159
Office costs	3,001	1,457
Staff costs	22,915	10,034
Other costs	3,317	720
	<u>43,233</u>	<u>26,070</u>

**7. Staff costs**

	<b>Group 2020 £</b>	<b>Charity 2020 £</b>	<b>Group 2019 £</b>	<b>Charity 2019 £</b>
<b>Staff costs:</b>				
Wages and salaries	4,664,773	4,366,200	4,178,780	3,990,459
Social security costs	390,649	371,644	354,972	345,286
Pensions	187,649	182,811	159,084	157,623
	<u>5,243,071</u>	<u>4,920,655</u>	<u>4,692,836</u>	<u>4,493,368</u>

The Group average monthly number of employees and full-time equivalent (FTE) staff analysed by function was:

	<b>2020</b>		<b>2019</b>	
	<b>Number</b>	<b>FTE</b>	<b>Number</b>	<b>FTE</b>
Housing	17	16	14	13
Adult Services	178	128	157	125
Children's Services	9	9	-	-
Support Services	16	14	19	17
Raw workshop	20	14	15	11
	<u>220</u>	<u>167</u>	<u>205</u>	<u>166</u>

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

---

**7. Staff costs (continued)**

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
£60,001 - £70,000	2	3
£80,001 - £90,000	1	1
	<u>3</u>	<u>4</u>

**Trustees and key management personnel remuneration and expenses (Group)**

One (2019: One) Trustee was reimbursed for travel expenses in the year £64 (2019: £147) to attend meetings at A G Palmer House. The payments were for car mileage travel expenses at the same rate as paid to employees of the charity.

No remuneration was paid during the year to any member of the Board of Trustees for services rendered in that capacity.

The total amount of employee benefits received by key management personnel is £339,838 (2019: £336,011). The Trust considers its key management personnel comprise the Trustees and Executive Officers.

**Pension contributions**

In accordance with the requirements of the Pensions Act 2008 Response Organisation administers a workplace pension scheme with The People's Pension. The scheme automatically enrolls eligible employees at the prescribed minimum rate of 1% of basic salary with funding matched by Response Organisation. Members of the People's Pension scheme have the option to increase their contributions up to a maximum of 4% matched by the employer.

Response Organisation has retained the stakeholder pension scheme with Friends Life for employees who were members of that scheme before the introduction of the People's Pension workplace pension scheme. Contributions to the Friends Life stakeholder pension scheme are made up to a maximum of 6% of basic salary matched by the employer.

In addition, five members of staff are members of the NHS pension scheme.

**8. Net movement in funds for the year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Operating leases - land and buildings	1,582,418	1,380,755
Depreciation	192,202	202,098
Auditor's remuneration - for group audit	11,500	11,000
- for non-audit work	3,440	1,700
	<u>1,789,560</u>	<u>1,595,553</u>



## Response Organisation

### Notes to the Accounts For the year ended 31st March 2020

#### 9. Tangible fixed assets

##### Group

	Freehold property £	Leasehold property & improvements £	Office fixtures & fittings £	Equipment & furniture £	Vehicles £	Assets under Construction £	Total £
<b>Cost</b>							
At 1st April 2019	7,107,478	1,664,471	493,291	547,542	126,605	21,859	9,961,246
Additions	-	2,099	53,759	51,816	26,242	133,669	267,585
At 31st March 2020	<u>7,107,478</u>	<u>1,666,570</u>	<u>547,050</u>	<u>599,358</u>	<u>152,847</u>	<u>155,528</u>	<u>10,228,831</u>
<b>Depreciation</b>							
At 1st April 2019	-	269,040	360,816	428,161	112,901	-	1,170,918
Charge for the year	-	57,108	77,686	49,722	7,685	-	192,201
At 31st March 2020	<u>-</u>	<u>326,148</u>	<u>438,502</u>	<u>477,883</u>	<u>120,586</u>	<u>-</u>	<u>1,363,119</u>
<b>Net book value</b>							
At 31st March 2020	<u>7,107,478</u>	<u>1,340,422</u>	<u>108,548</u>	<u>121,475</u>	<u>32,261</u>	<u>155,528</u>	<u>8,865,712</u>
At 31st March 2019	<u>7,107,478</u>	<u>1,395,431</u>	<u>132,475</u>	<u>119,381</u>	<u>13,704</u>	<u>21,859</u>	<u>8,790,328</u>

##### Charity

	Freehold property £	Leasehold property & improvements £	Office fixtures & fittings £	Equipment & furniture £	Vehicles £	Assets under Construction £	Total £
<b>Cost</b>							
At 1st April 2019	7,107,478	1,616,220	493,291	443,104	105,984	21,859	9,787,936
Additions	-	2,099	53,759	45,261	-	133,669	234,788
At 31st March 2020	<u>7,107,478</u>	<u>1,618,319</u>	<u>547,050</u>	<u>488,365</u>	<u>105,984</u>	<u>155,528</u>	<u>10,022,724</u>
<b>Depreciation</b>							
At 1st April 2019	-	243,285	360,816	347,583	105,984	-	1,057,668
Charge for the year	-	55,448	77,686	45,115	-	-	178,249
At 31st March 2020	<u>-</u>	<u>298,733</u>	<u>438,502</u>	<u>392,698</u>	<u>105,984</u>	<u>-</u>	<u>1,235,917</u>
<b>Net book value</b>							
At 31st March 2020	<u>7,107,478</u>	<u>1,319,586</u>	<u>108,548</u>	<u>95,667</u>	<u>-</u>	<u>155,528</u>	<u>8,786,807</u>
At 31st March 2019	<u>7,107,478</u>	<u>1,372,935</u>	<u>132,475</u>	<u>95,521</u>	<u>-</u>	<u>21,859</u>	<u>8,730,268</u>

The market value of the freehold property is significantly in excess of its net book value. The Trustees do not consider that the cost of a valuation of these properties at the year end is justified.

Tangible fixed assets with a net book value of £4,966,170 (2019: £4,966,170) have been pledged as security for liabilities of the charity.

## Response Organisation

### Notes to the Accounts For the year ended 31st March 2020

10. Debtors	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Rents and service charges receivable	1,221,365	1,222,041	442,286	442,286
Other debtors	192,064	115,723	139,273	120,301
Prepayments and accrued income	246,051	244,920	93,519	82,889
	<u>1,659,480</u>	<u>1,582,684</u>	<u>675,078</u>	<u>645,476</u>

Included in other debtors is an amount of £91,409 (2019: £75,443) which is recoverable after more than one year.

11. Creditors: amounts falling due within one year	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Bank loans	113,937	113,937	109,924	109,924
Rents and service charges received in advance	178,196	178,196	130,711	130,711
Trade creditors	377,497	365,723	114,772	88,794
Taxes and social security	122,333	102,665	99,168	93,125
Other creditors	67,796	59,087	59,816	45,609
Accruals and deferred income	1,477,252	1,434,036	611,922	583,345
	<u>2,337,011</u>	<u>2,253,644</u>	<u>1,126,313</u>	<u>1,051,508</u>

12. Creditors amounts falling due after one year	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Bank loans	1,784,559	1,784,559	1,899,740	1,899,740
Accruals and deferred income	291,500	291,500	231,500	231,500
Other loans	100,000	100,000	100,000	100,000
	<u>2,176,059</u>	<u>2,176,059</u>	<u>2,231,240</u>	<u>2,231,240</u>

The bank loans and other loans are secured on 2 Dodgson Road, Oxford, 4 Bodley Road, Oxford, 1 Egerton Road, Oxford, 93-95 Papist Way, Wallingford, 1-17 Scrutton Close, Oxford and 49 Oxford Road, Banbury. At 31st March 2020 the value of loans was 38% of the net book value of the secured properties.

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
<b>Loans</b>				
Repayable in one year or less	113,937	113,937	109,924	109,924
Repayable between one and two years	118,494	118,494	112,610	112,610
Repayable between two and five years	484,854	484,854	365,762	365,762
Repayable in five years or more	1,281,211	1,281,211	1,521,368	1,521,368
	<u>1,998,496</u>	<u>1,998,496</u>	<u>2,109,664</u>	<u>2,109,664</u>

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

**13. Analysis of Group net assets between total funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fund balances at 31st March 2020 are represented by:			
Tangible fixed assets	8,435,660	430,052	8,865,712
Cash at bank and in hand	1,638,710	583,541	2,222,251
Other net current liabilities	(533,660)	(143,871)	(677,531)
Long term liabilities	(2,176,059)	-	(2,176,059)
	<u>7,364,651</u>	<u>869,722</u>	<u>8,234,373</u>

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fund balances at 31st March 2019 are represented by:			
Tangible fixed assets	8,344,932	445,396	8,790,328
Cash at bank and in hand	1,295,146	396,751	1,691,897
Other net current liabilities	(406,032)	(45,203)	(451,235)
Long term liabilities	(2,231,240)	-	(2,231,240)
	<u>7,002,806</u>	<u>796,944</u>	<u>7,799,750</u>

**14. Statement of funds**

	<b>As at 1st April 2019 £</b>	<b>Acquired on control of Raw Workshop £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>As at 31st March 2020 £</b>
<b>Unrestricted funds</b>					
General fund	7,002,806	-	9,996,949	(9,635,104)	7,364,651
<b>Restricted funds</b>					
Thatcham (Priory) Project fund	363,477	-	-	(12,330)	351,147
Aylesbury (Mandeville) Project fund	226,200	-	65,509	-	291,709
Mental Wealth Academy	-	-	162,700	(162,700)	-
Raw Workshop	207,267	-	737,204	(717,605)	226,866
	<u>796,944</u>	<u>-</u>	<u>965,413</u>	<u>(892,635)</u>	<u>869,722</u>
	<u>7,799,750</u>	<u>-</u>	<u>10,962,362</u>	<u>(10,527,739)</u>	<u>8,234,373</u>

The first two named restricted funds were for contributions to the cost of renovations and properties to provide care and support services. The latter is the funds held by the charitable subsidiary.

The Mental Wealth Academy fund is a grant from the Voluntary, Social and Enterprise (VCSE) Health & Wellbeing Fund of the Department of Health & Social Care, for the provision of mental health services for children and young people.

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

---

**14. Statement of funds (continued)**

	As at 1st April 2018	Acquired on control of Raw Workshop	Income	Expenditure	As at 31st March 2019
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	6,859,106	-	8,877,320	(8,733,620)	7,002,806
<b>Restricted funds</b>					
Thatcham (Priory) Project fund	264,350	-	107,347	(8,220)	363,477
Aylesbury (Mandeville) Project fund	101,950	-	124,250	-	226,200
Raw Workshop	-	206,056	408,919	(407,708)	207,267
	<u>366,300</u>	<u>206,056</u>	<u>640,516</u>	<u>(415,928)</u>	<u>796,944</u>
	<u>7,225,406</u>	<u>206,056</u>	<u>9,517,836</u>	<u>(9,149,548)</u>	<u>7,799,750</u>

The first two named restricted funds were for contributions to the cost of renovations and properties to provide care and support services. The latter is the funds held by the charitable subsidiary.

**15. Reconciliation of Group net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for year	434,623	368,288
Cash transferred from Raw Workshop at 1st April 2018	-	156,295
Interest receivable	(7,759)	(4,726)
Interest payable	107,654	89,239
Depreciation	192,201	202,098
(Increase) in debtors	(984,402)	(52,914)
Increase in creditors	1,266,685	257,875
<b>Net cash inflow from operating activities</b>	<u>1,009,002</u>	<u>1,016,155</u>

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

---

**16. Operating leases for Charity and Group**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and buildings</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
On leases expiring:-		
Within one year	1,333,440	1,330,702
Between one and five years	478,560	785,710
Greater than five years	2,028,072	1,855,174
	<u>3,840,072</u>	<u>3,971,586</u>

**17. Capital commitments for Charity and Group**

As at 31st March 2020, the charity has authorised renovation costs of £266,382 (2019: £550,000) on properties it leases.

**18. Related party transactions**

Response Organisation's board voted to take on the management of RAW Workshop (registered charity no: 1014416; registered company no: 02745625) during 2017/18. This process was completed on 1st April 2018, with Response becoming the sole member of RAW, and now having control via common trustees with Response. For the purposes of the group accounts, Raw Workshop funds are considered to be restricted.

No amounts were paid for this agreement, but Response continues to offer support to Raw via resource support and by way of a financial loan made in a previous period. Net assets of £206,056 were brought into the group as a result of the arrangement.

For the year ended 31st March 2020 the subsidiary showed the following results:

	<b>Raw Workshop</b>	<b>Raw Workshop</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income from:</b>		
Donations	292,146	160,481
Grants	28,961	65,115
Investments: rent and interest received	36,000	1,294
Charitable activities: workshop sales	445,967	225,279
	<u>803,074</u>	<u>452,169</u>
<b>Total income</b>	803,074	452,169
<b>Expenditure on:</b>		
Fundraising, marketing and development	87,211	63,595
Charitable activities	630,394	351,363
	<u>717,605</u>	<u>414,958</u>
<b>Total expenditure</b>	717,605	414,958
<b>Net income</b>	<u>85,469</u>	<u>37,211</u>

**Response Organisation**  
**Notes to the Accounts**  
**For the year ended 31st March 2020**

---

**18. Related party transactions (continued)**

	<b>Raw Workshop 2020 £</b>	<b>Raw Workshop 2019 £</b>
<b>Fixed assets</b>		
Tangible assets	78,905	60,060
<b>Current assets</b>		
Debtors	90,318	42,741
Cash at bank and in hand	194,305	166,313
	<u>284,623</u>	<u>209,054</u>
<b>Creditors:</b> Amounts falling due within one year	(96,889)	(87,944)
<b>Net current assets</b>	<u>187,734</u>	<u>121,110</u>
<b>Total assets less current liabilities</b>	<u><u>266,639</u></u>	<u><u>181,170</u></u>
<b>Funds</b>		
General funds	66,208	(40,312)
Restricted funds	200,431	221,482
<b>Total funds</b>	<u><u>266,639</u></u>	<u><u>181,170</u></u>

Response Organisation lent the charity funds during an earlier period, of which £nil (2019: £26,097) were outstanding for repayment at the period end.

There were no other related party transactions to be disclosed for this year.