

**The Association of
Directors of Adult Social
Services**

**Annual Report and Financial
Statements**

Charity Registration Number
299154

31 December 2021

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Reference and administrative details

Trustees	Stephen Chandler, President (from 28 April 2021) Sarah McClinton, Vice President (from 28 April 2021) James Bullion, Immediate Past President (from 28 April 2021) Iain MacBeath, Honorary Treasurer Glen Garrod, Honorary Secretary Beverley Tarka (from 28 April 2021) Julie Ogley (from 1 September 2021) Richard Humphries Alison Tombs (to 23 August 2021) Balwinder Kaur (from 1 September to 17 December 2021) Catharine Roff Carol Tozer (to 31 August 2021)
Chief Executive	Cathie Williams
Resource Manager	Julie Boulting-Hodge
Principal address	Association of Directors of Adult Social Services 18 Smith Square London SW1P 3HZ
Charity Registration Number	299154
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	CAF Bank Ltd Kent ME19 4JQ
Insurance	Access Insurance Selsdon House 212-220 Addlington Road South Croydon Surrey CR2 8LD

The Trustees present their statutory report together with the financial statements of the Association of Directors of Adult Social Services for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 of the attached financial statements and comply with the charity's constitution, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective for accounting periods commencing 1 January 2015 or later.

ADASS members work together at a regional level, and whilst some of this activity is included in this report, these groupings are financially independent of the charity.

Objectives and activities

The constitution of ADASS sets out the following charitable objects:

- a) *To promote the education of the public in matters of social policy, social organisation and social problems.*
- b) *To promote the relief of those needing care, support or safeguarding and the preservation and protection of physical and mental health for the benefit of the public.*
- c) *To promote the preservation of family, friendship and community life for the benefit of the public.*
- d) *To promote inclusion of older, disabled and mentally ill people in all aspects of society.*

ADASS is the voice of leaders in adult social care. We believe that all individuals, regardless of disability or frailty should have the means to live purposeful and independent lives, free from discrimination, with dignity and respect. We believe that people who require support as a result of disability, ill health or frailty have the right to high quality support and choice and control over that support. We believe that the views and needs of families and carers are important and that the rights of people who lack mental capacity, who are at risk of compulsory detention under the Mental Health Act, or who are in need of care and support and at risk of abuse or neglect should be safeguarded.

We aim to ensure that high quality social work and care is available to all who need it. We aim to promote the need for adequate funding for social care and to ensure that the infrastructure needed to provide it is available. We aim to further the interests of people who require access to social care regardless of their background and status and to promote public understanding of social care.

Objectives and activities (continued)

ADASS produces an annual business plan that outlines the key activities for the Association on a three-year rolling basis. In 2021 the business plan focused on shaping our response to three principal challenges: addressing the ongoing Covid-19 pandemic, shaping the long-promised conversation about adult social care reform, and supporting the delivery of adult social care today in the immediate term. The core of the business plan continued to focus on ADASS's policy, communications and resources functions, all shaped by policy and practice priorities relating to social justice and inclusion, 'the care we want' and personalised and sustainable health and social care. These are supported by resources, workforce and digital and technology as enabling priorities. These strands of work were first developed in 2019 and have stood the test of time as a means of organising our work.

We seek to meet our charitable aims and objectives in a number of different ways, and we have a number of different audiences for our work. We seek to shape public understanding of adult social care, influence Government decision and policy making, and ensure that care and support is reflected in local and national media coverage.

This annual report sets out how we have delivered some of the key activities set out in the ADASS business plan.

Public benefit

When setting the objectives and planning the work of the charity for the year, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance in 2021

2021 has been another incredibly busy and demanding year for the charity and this is reflected the breadth and reach of work over the course of the year. Headlines include:

- ◆ Shaped and strengthened the response of ADASS's members to the Covid pandemic, with strong regional engagement supported by funding from Government for parts of the year. This increased capacity enabled rapid communication, and the means to inform Government of issues on the ground and to thus moderate policy and guidance.
- ◆ Engaged extensively with civil servants, National Health Service England (NHSE) and parliamentarians to ensure they are informed by the experience of managing, delivering and drawing on social care in decision making relating to policy, legislation and guidance. This specifically impacted on some of the aspects of the Health and Social Care Bill, Charging and Cost of Care, Assurance and the Adult Social Care and Integration White Papers.
- ◆ Conducted four member surveys, securing good response rates, strengthening our media coverage and traction with decision makers and specifically to positively influence Government funding decision-making in relation to Covid, the spending review and the health and social care levy.

Achievements and performance in 2021 (continued)

- ◆ Supported our members and partners in sharing good practice through the delivery of a successful virtual Spring Seminar, National Children and Adults Services Conference (NCASC), Mental Health Week events, an in-person Leadership in Care Summit, and other round table sessions.
- ◆ Secured Business Partnerships in order to resource and deliver two strong development programmes for small groups of members: 'Accelerate' and 'Springboard'.
- ◆ Continued engagement with Local Government Association and ADASS regions on sector led improvement.
- ◆ Maintained and increased our resource base and capacity through a combination of DHSC grants and business partnerships despite losses from in person events. We continued to work in partnership with the LGA to support local authorities to prepare for and implement Liberty Protection Safeguards (LPS) and extended our reach and influence to supporting vulnerable people obtain European Union Settled Status via 24 awareness raising and information webinars and, on our website, (funded by the Home Office).

Policy & Practice

In 2021 our refreshed business plan gave a renewed focus on our continued pandemic response, our policy and practice priorities, work to shape reform, our business-as-usual activity and our resource base.

Supporting members to respond to and inform the Government to respond to **Covid-19** required us to dial up and down our capacity and activities over the course of the year in response to changes to programme funding, Government advice and different waves of the pandemic, including the Omicron wave. Colleagues continued to contribute to various Covid-19 national working groups which shaped policies and guidance, and we used our two-way communications channels to disseminate key messages and updates.

We used the unique evidence base provided by our additional member **surveys** to shape our policy and influencing work on the number of people waiting for care assessments, reviews, personal budgets and care packages, and the preparedness of councils for the challenges posed by winter and the Omicron variant.

At the same time, we were also actively working to influence emerging Government thinking about long-promised **adult social care reform**. We ensured ADASS senior input to each of the Adult Social Care white paper working groups, and work to shape future approaches to assurance and improvement. We also sought to proactively shape the content of the Health and Care Bill, the white paper on Integration, and all other aspects of reform.

We continued to make significant progress on our own **policy priorities**, which shaped our Covid Response, our improvement work, events and communications. We sought and funnelled income to deliver this work.

Policy & Practice (continued)

Under the banner of our **‘The Care We Want’** priority, we strengthened our work on commissioning and markets, shaping emerging thinking on assurance and improvement, and on contingency planning for potential provider failure.

Our focus on **Social Justice and Inclusion**, shaped the Building the Right Support programme, maintained an emphasis on safeguarding throughout, the implementation of the ‘Out of Sight’ report recommendations, and developed our thinking and response to the MHA White Paper through a series of member and partner round tables.

Our work on **Sustainable Personalised Care & Health Systems** focused on shaping the Health and Care Bill, the Better Care Fund (BCF) approach for 2022-23, implementation of Discharge to Assess (D2A), development of Integration Care Systems, prioritisation of professional as well as clinical leadership, and promoting the shift to more home and community-based care and support.

Our **Resources** workstream underpinned the ADASS Local Government Finance Settlement submission, ADASS Comprehensive Spending Review 2021 submission, as well as our partnership submission. We extensively inputted to work on Charging Reform and Fair Cost of Care and shaped the various ADASS member surveys across the year.

Workforce activity centred on making the case for immediate investment in the adult social care workforce, the introduction of a Social Care Living Wage and a £1000 winter retention bonus for care staff. We used the ADASS workforce survey results to influence decision making regarding the workforce recruitment and retention grant.

On **Digital and Technology**, we published the findings of the Tech Commission in partnership with the Technology Services Association (TSA) and delivered regional round tables which explored how we implement its key recommendations. We contributed to the Adult Social Care white paper working group on digital and technology, and provided advice on the technological solutions for the funding cap.

The **ADASS regional teams** played a crucial role in delivering key projects across the year. In addition to supporting the national Covid-19 and the Omicron wave responses through work funded by DHSC, regional colleagues supported delivery of the ongoing Care and Health Improvement Programme (CHIP), carers’ project, regional input to the BCF programme, the care markets work funded by DHSC, and the work of the various ADASS networks and forums.

As part of our work on the CHIP programme, we introduced new posts hosted within ADASS to ensure more strategic and operations ADASS input into the programme and to shape work for 2022/23.

We have strengthened our support to our PSW members, holding monthly meetings with PSW regional chairs, and securing good involvement of PSWs in the work of the priority networks and other ADASS forums and networks.

Equality Diversity and Inclusion

We further embedded the work of the **Equality, Diversity and Inclusion** working group. The group has developed an EDI action plan and we hosted an EDI Trustee development session. We used open elections and proactive messaging to secure greater diversity across ADASS roles, including Trustee and Executive Council appointments, and representative intakes for both the Accelerate and Springboard programmes.

Communications

ADASS spokespeople made more than 20 national TV and radio appearances across all major media outlets. We also undertook an increasing number of background chats with key journalists help reframe stories. We secured more than 330 media mentions and authored 12 major opinion pieces. We also strengthened our use of social media and increased our Twitter followers by more than 1,000 to 12,600 and reached as many as 97,000 people over the course of the year.

Public affairs

We sought to continue to influence Government and wider political thinking, with engagement with Ministers, Select Committee Chairs and a range of other Members of Parliament and Peers from all major parties.

We submitted written evidence to a number of parliamentary committees, and we have secured mentions in more than 20 parliamentary debates and sessions. The ADASS President and other ADASS colleagues gave verbal evidence to key parliamentary committees, on issues including Covid-19, workforce reform, social care markets, reform, and long-term funding.

The President and other ADASS leaders spoke at a range of high-profile events, including events organised by the Local Government Association, Department of Health and Social Care (DHSC) and other partner organisations.

We responded to a range of Government consultations and calls for evidence, including Spending Review 2021, the Spring statement and Autumn Budget, and Local Government Finance Settlement.

We also wrote a number of letters independently and with partner organisations on a range of issues, including Presidential letters to the Prime Minister and other senior figures on social reform, winter pressures, charging reform, and shared challenges.

Events

Over the course of the year, we delivered a number of high-profile events to virtual, hybrid and in-person audiences. Given the virtual platform, we opened up Spring Seminar 2021 to a number of partners so that 450 people were able to attend. We also continued many of these conversations through our first ever weeklong series of mental health events in May 2021, with 260 people joining us.

Equality Diversity and Inclusion (continued)

Events (continued)

We supported the delivery of the National Children and Adult Services Conference (NCASC) virtually again this year in partnership with colleagues from the Association of Directors of Children's Services (ADCS) and the LGA. The event took place between 2nd and 4th November 2021 and attracted more than 500 elected members and colleagues from across local government and partner organisations.

After more than 18 months of virtual events, we delivered our first in-person event at Wyboston between 20-22 September 2021. Delivered in partnership with Newton Europe, 100 colleagues joined stimulating sessions on the changing nature of leadership.

Financial review

During the year, the Association was involved in many activities, as set out above. The net movement in funds for the year generated by those activities was a surplus of £347,111 (2020: £355,259 surplus).

Total income for the year was £3,543,825 (2020: £3,286,454). Sponsorship received for the benefit of members was £299,963 (2020: £277,100). Membership subscription income increased in the year to £386,886 (2020: £371,295). Grant and contract funding increased during the year from £2,429,496 in 2020 to £2,696,723 in 2021. The income received includes funding from the Department of Health and Social Care to support the infrastructure of ADASS, to provide independent advice and ensure its capacity to achieve shared objectives.

Membership remains very good value for local authorities and they may now have up to six members of ADASS in total as a result of the extended membership scheme now including the Principal Social Worker role. The Spring Seminar was again successful this year with a surplus of £67,968 (2020 – surplus of £55,275) of income over expenditure. Gifts in kind income in both 2020 and 2021 was £41,200.

The Association's total funds were £2,619,564 at 31 December 2021 compared to £2,272,453 at 31 December 2020. No funds were restricted to specific purposes.

Reserves policy

The Trustees reviewed the reserves policy during the year in the light of the relevant guidance on the established level of reserves (those funds that are freely available) that the charity ought to have at any given time and the increasing tendency towards shorter term agreements for funding. The Association needs to maintain sufficient funds to cover any potential loss in sponsorship and conference income and short-term cash flow and to have approximately twelve months of expenditure (based on turnover during a year in which ADASS runs the NCAS conference) available at all times and to cover costs of the Association in the event of the charity winding up. This equates to approximately £1,860,000. At the current time, the reserves have to be sufficient to enable ADASS to operate in the exceptional circumstances created by the Covid-19 pandemic.

Financial review (continued)

Reserves policy (continued)

The level of free reserves at 31 December 2021 was £2,614,203 (2020 - £2,263,637) being general funds of £2,619,564 (2020 - £2,272,453) minus the net book value of tangible fixed assets i.e. £5,361 (2020 - £8,816). This is slightly higher than the amount set out in our reserves policy, but is deemed to be reasonable in light of the uncertainties created by the Covid-19 pandemic.

Plans for the future

Over the course of the last two years, we have had to rapidly recruit and reshape our team to enable us to respond to the different waves of the pandemic, and to ensure a strong continued focus on both our business-as-usual activity and our work to shape a better future for those of us with care, support and safeguarding needs. The coming year will be an important one for adult social care. As we move into a different phase of the pandemic, and as we work through the development of reform and assurance, we will need to look at the balance and skills across our diverse staff team to enable us to respond. A key dimension will be to ensure that we have the right blend of skills and experience needed to continue to shape the future of adult social care, whilst ensuring that we work to the vision, beliefs and values that sit at the heart of the charity.

It is clear that the core focus on our three policy priorities and our three enabling priorities will continue over the coming year.

Over the course of 2022 we will continue to adapt our ways of working to achieve the right balance of home and office-based working, maximising the opportunities presented by home working, with the need to bring together the team, Trustees and members to plan and deliver our crucial work.

Trustees will maintain a strong focus on income generation, ensuring balance across key income streams, including subscriptions, events, contracts, grants and sponsorship, keeping each under review.

Structure, governance and management

The governing body of ADASS is the Board of Trustees, which comprises of ten posts. Occasionally vacancies arise when a Trustee leaves and occasionally someone is elected to a post ahead of a vacancy, which may decrease/increase the number of Trustees on a temporary basis. Trustees meet formally at least five times a year and, due to the pandemic, these meetings have been remote. Further informal meetings by teleconference now take place bi-weekly. Trustees are elected for a three-year term and may serve a second three-year term. The Trustees are ex-officio officers of the Association and new officers after election are inducted and trained by existing Trustees and ADASS staff.

During the year, the leadership team transitioned from an Officer to an Executive leadership model.

Structure, governance and management (continued)

The staff team supports members, the Executive Council and Trustees. It has been enhanced temporarily during the year to respond to the pandemic and is deployed as follows:

The **Chief Executive** provides support to the President, Trustees, Executive, attendance at senior private meetings and the leadership of the staff team.

The **Deputy Chief Executive** supports the Chief Executive and provides advice and leadership, with specific responsibility for policy and communications.

The **Resource Manager** supports the Trustees and manages the business functions of the organisation.

The **Assistant Chief Officer**, two acting **Assistant Chief Officers** (job share), six **Senior Officers**, a **Senior Officer (Communications)** and a **Liberty Protection Standards Co-ordinator** have had the lead for co-ordinating work on policy, practice and links with ADASS regions. A **Co-ordinator** leads our work supporting EU settled status and adult social care.

The **Income Generation Officer** has developed sponsorship with a range of organisations.

A **Communications, Events and Systems Lead** manages member engagement and external communications via the website, seminars, conferences and events, supported by a **Communications Assistant**.

Two **Administrators** focus on supporting the charity overall, and finance, membership, events, and membership engagement in particular.

The majority of staff are on fixed-term contracts.

Key management personnel

The Trustees consider that they, together with the Chief Executive, Deputy Chief Executive and Resource Manager, comprise the key leadership and management of the charity in charge of directing, controlling, running and operating the charity on a day-to-day-basis.

The Trustees are elected to their positions and do not receive any funding for the work that they undertake on behalf of the charity. However, as a result of contracts with DHSC during Covid, funding has increased to the President's council to partially compensate and allow backfill for his time delivered nationally.

The Chief Executive is employed on a part-time (four days per week) basis. This post, alongside the part time Resource Manager and Deputy Chief Executive are remunerated on a salary scale decided by Trustees in consideration of the skills, knowledge and experience needed.

Structure, governance and management (continued)

Risk management

The Trustees review the principal risks and uncertainties that the charity faces at each of their meetings held throughout the year. During these meetings risks are raised and discussed, existing mitigations are reviewed, and new actions are set to minimise or manage any potential impact to the charity should the risks materialise. This process is particularly important during the current Covid-19 pandemic. The risks considered can be divided into two main areas

- ◆ Financial – includes considerations such as the future financial stability of the charity, bad debts, the risk of fraud and issues arising as a result of poor budgetary control and inappropriate spending.
- ◆ Governance and management – includes risks around the staffing and functional requirements of the charity, reputation, the ability of the charity to provide the level of service, and the efficient and proper use of its resources.

Financial

There is a need to ensure sufficient income is generated to sustain future staffing requirements and activity.

Trustees acknowledge the risks relating to potential loss of income and decrease in the level of reserves particularly in the current climate.

ADASS deliberately seeks to secure income from a range of diverse sources in order to mitigate the risk of the failure of any one.

Sponsorship income has made a significant contribution to the sustainability of the charity and Trustees continue to review the benefits, risks and implications particularly in the challenging financial climate.

Contracts with DHSC, and funding from the Home Office and the Care and Health Improvement Partnership increased in proportion during 2021.

Service contracts are reviewed on a rolling programme.

Governance and management

1. *Charity Governance Code (Larger Charities).*

Trustees have agreed to work towards full compliance with the recommendations of the Code. The fourth annual compliance review took place in November and areas requiring further attention included:

- ◆ Continued focus on impact and outcome measurement
- ◆ Further action to set and achieve diversity objectives

Trustees, the Chief and Deputy Chief Executives and Resource Manager undertook an externally facilitated equality, diversity and inclusion session, and plan to continue to implement the recommendations in the coming year.

Structure, governance and management (continued)

Risk management (continued)

Governance and management (continued)

2. *Capacity planning for ADASS elected voluntary roles*

Trustees have successfully led ADASS throughout the year and have sought to actively recruit colleagues for voluntary lead roles within the organisation. Regional Chairs have taken an increasingly significant role in co-ordinating activity relating to Sector Led Improvement, Service Continuity and Covid.

3. *Capacity planning for staffing within the ADASS staff team*

The ongoing plan to upskill and increase staffing moves ADASS towards more fitting staffing structures. This has included the appointment of acting Assistant Chief Officers to increase capacity, and a realignment of the communications function. It is an aspiration, subject to funding, to continue in this direction, particularly as the organisation's credibility increases.

Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring reserve levels, by ensuring controls exist of key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate the risks. In particular, as noted above, whilst Covid-19 will continue to present challenges, the Trustees believe the associated risks are manageable.

Raising funds

In 2021 the charity did not seek to raise funds from individuals but has partnered with sponsors who are sympathetic with our charitable aims and objectives.

Acknowledgements

We value the support we received from our sponsors at the Spring Seminar, NCASC and throughout the year. We would like to thank Brain in Hand, Cordis Bright, EY, FutureGov, Grant Thornton, HAS Technology, Home Group, ICS Assessment Services, IMPOWER, Lilli, Microsoft, Newton, OLM, PA Consulting, and Tunstall Healthcare. ADASS does not encourage Directors of Adult Social Services to trade with any of these organisations.

ADASS complies with all requirements of the General Data Protection Regulation (GDPR) and works hard to protect personal data both within ADASS and that of our partners. We will never sell on any personal information.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Statement of Trustees' responsibilities (continued)

The law applicable to charities in England and Wales 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 charity and of the income and expenditure of the charity 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:



Iain Macbeath

Honorary Treasurer

Date: 01.04.2022

Independent auditor's report to the Trustees of The Association of Directors of Adult Social Services

Opinion

We have audited the financial statements of the Association of Directors of Adult Social Services (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charity's affairs as at 31 December 2021 and of 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 Charities Act 2011.

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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of Trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year to 31 December 2021

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 1 April 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
Income			
Donations and legacies			
. Gifts in kind		41,200	41,200
. Donations		87	300
Other trading activities			
. Sponsorship		299,963	277,100
Interest receivable		1,762	13,487
Charitable activities			
. Contracts, grants and service level agreements	1	2,696,723	2,429,496
. Subscriptions		386,886	371,295
. Conferences and seminars	2	112,180	149,394
Miscellaneous		5,024	4,182
Total income		3,543,825	3,286,454
Expenditure			
Cost of raising funds	3	154,501	71,854
Expenditure on charitable activities			
. Promotion of high quality social care and social justice	4	3,042,213	2,859,341
Total expenditure		3,196,714	2,931,195
Net movement in funds		347,111	355,259
Reconciliation of funds:			
. Fund balances brought forward at 1 January		2,272,453	1,917,194
. Fund balances carried forward at 31 December		2,619,564	2,272,453

All of the charity's activities derived from continuing operations during the above two financial periods.

All income and expenditure in the above two financial periods related to unrestricted funds.

Balance sheet 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	8	5,361	8,816
Current assets			
Debtors	9	373,896	844,543
Cash deposits		1,015,670	420,000
Cash at bank and in hand		1,406,332	1,762,861
		2,795,898	3,027,404
Liabilities			
Creditors: amounts falling due within one year	10	(181,695)	(763,767)
Net current assets		2,614,203	2,263,637
Total net assets		2,619,564	2,272,453
The funds of the charity:			
Unrestricted funds			
. General fund		2,619,564	2,272,453
Total funds		2,619,564	2,272,453

Approved by the trustees and signed on their behalf by:



Iain Macbeath

Honorary Treasurer

Date of approval: 01.04.2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	238,159	267,776
Cash flows from investing activities:			
Purchase of tangible fixed assets		(780)	(4,961)
Interest received		1,762	13,487
Net cash provided by investing activities		982	8,526
Change in cash and cash equivalents in the year		239,141	285,302
Cash and cash equivalents at 1 January	B	2,182,861	1,897,559
Cash and cash equivalents at 31 December	B	2,422,002	2,182,861

Notes to the statement of cash flows for the year to 31 December:

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	347,111	355,259
Depreciation	4,235	2,828
Interest receivable	(1,762)	(13,487)
Decrease (increase) in debtors	470,647	(236,624)
(Decrease) increase in creditors	(582,072)	168,800
Net cash provided by operating activities	238,159	276,776

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,406,332	1,762,861
Cash deposits	1,015,670	420,000
Total cash and cash equivalents	2,422,002	2,182,861

C Analysis of changes in net debt

	As at 1 January 2021 £	Movement in year £	As at 31 December 2021 £
Cash at bank and in hand	1,762,861	(356,529)	1,406,332
Cash deposits	420,000	595,670	1,015,670
Total cash and cash equivalents	2,182,861	(239,141)	2,422,002

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2021 with comparative information provided in respect to the year to 31 December 2020. The financial statements are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ the valuation of gifts in kind;
- ◆ the extent of completion of work funded by contractual income;
- ◆ the allocation of support costs;
- ◆ the calculation of the provision for bad and doubtful debts;
- ◆ the expected useful life of tangible fixed assets used to calculate the annual depreciation charge;
- ◆ assessing future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

Assessment of going concern (continued)

The charity had liquid reserves at 31 December 2021 in excess of the amount set out in its reserves policy. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due including sufficient to enable the charity to operate in the exceptional circumstances created by Covid-19. The most significant areas of judgement that affect items in the financial statements are detailed above.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations (being gifts in kind), sponsorship income, interest receivable, income from charitable activities (comprising grants and contractual income, subscriptions, conference and seminar income and fees) and miscellaneous income.

Gifts in kind (i.e. donated services) are recognised in the period in which it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. Such income is recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market. An equivalent amount is included as expenditure.

Sponsorship income is recognised when the charity has entitlement to the income under the relevant sponsorship agreement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid of payable by the bank.

Income from charitable activities being grants and/or contractual income and income from fees and conferences or seminars is measured at the fair value of the consideration received or receivable, excluding discounts and rebates. Grants from government and other agencies are included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income in respect to seminars and conferences is recognised when the charity has entitlement to such income which is normally on the date of the relevant seminar or conference.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of promoting high quality social care and social justice

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of personnel development, accounting support, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on staff time. This basis is consistent with the use of resources.

Tangible fixed assets

All assets with a cost in excess of £1,000 and an expected useful life exceeding one year are capitalised and depreciated.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ◆ IT and Communications equipment 33.3% per annum based on cost

Depreciation is charged from the date of acquisition.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand and short term deposits

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Taxation

ADASS is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Fund structure

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within ADASS's charitable objects.

Designated funds are defined as unrestricted funds set aside by the Trustees for particular purposes in the future. The Trustees have the power to reallocate such funds within unrestricted funds until expended.

Staff costs

The staff group is made up of direct employees and those employed by the Local Government Association (LGA) on behalf of the charity. Salaries and associated costs for secondees, including contributions to a defined benefit pension scheme operated by the LGA, are initially met by the LGA and then are recharged to the charity. These recharged staff costs are included as expenditure in the statement of financial activities as incurred.

1 Contracts, grants and service level agreements

	Total Funds 2021 £	Total Funds 2020 £
Department of Health and Social Care		
. Leadership and Expert Advice on Adult Social Care	166,667	166,667
. Liberty Protection Safeguards	19,718	95,336
. ASCOF	32,015	47,222
. Carers Day Services	—	47,262
. Efficient and Effective Carers Intervention	—	117,264
. Data Outcomes Board Work	10,200	—
. Covid-19 funding	2,151,804	1,290,095
. Contingency planning for the UK's exit from the European Union	—	493,053
Local Government Association		
. Covid-19 Contract	—	106,781
. CHIP SCCMR	161,583	60,000
Home Office EUSS Grant*	144,756	5,816
IMPACT	9,980	—
2021 Total funds	2,696,723	2,429,496

*The Home Office EUSS Grant has been claimed by ADASS based on expenditure incurred in the year for the EU Settlement Scheme project with all funds being spent at year end. All other income from contracts, grants and service level agreements were unrestricted in both the above years.

2 Conferences and seminars

	Total Funds 2021 £	Total Funds 2020 £
Spring seminar	75,650	86,129
Biennial conference	—	63,265
Mental Health Week	5,800	—
September Summit	30,730	—
2021 Total funds	112,180	149,394

All income from conferences and seminars was unrestricted in both the above years.

3 Raising funds

	Total Funds 2021 £	Total Funds 2020 £
Costs of raising sponsorship and donations	151,085	71,253
Other costs associated with raising funds	3,416	601
2021 Total funds (note 3)	154,501	71,854

All expenditure on raising funds was unrestricted in both the above years.

4 Promotion of high quality social care and social justice

	Total Funds 2021 £	Total Funds 2020 £
Special Projects		
. Neighbourhood Integration Project	—	2,389
. LGA CHIP Covid-19	—	84,954
. LGA CHIP SCCMR	—	6,000
. Contingency planning for the UK's exit from the European Union	—	50,806
. DHSC Unpaid Carers Day	—	12,632
. DHSC LPS	—	61,411
. DHSC Covid-19	414,109	204,040
. ASCOF	28,247	35,453
. EUSS	116,384	5,186
. Efficient and Effective Carers Intervention	—	17,000
. Data Outcome Board	10,200	—
. Impact 21	1,026	—
. LGA CHIP staffing 20-21	49,083	—
. LGA CHIP staffing 21-22	112,500	—
. LPS Co-ordinator	19,717	—
Support to ASC		
. LGA CHIP SCCMR	—	54,000
. DHSC Unpaid Carers Day	(3,500)	32,100
. Contingency planning for the UK's exit from the European Union	—	55,390
. DHSC Covid-19	1,733,789	1,047,975
. Efficient and Effective Carers Intervention	—	65,250
. EU Comms	—	369,475
. CHIP carers	32,625	—
Conferences & seminars	44,719	55,092
Subscriptions	2,758	2,650
Administration expenses	4,598	4,399
Bad debts	7,368	(4,479)
IT development costs*	26,937	26,000
Professional fees**	17,068	16,693
Staff travel, subsistence and accommodation	583	767
Support to the President	28,750	48,000
Irrecoverable VAT	15,481	30,537
Support costs (note 5)	375,536	572,793
Depreciation	4,235	2,828
2021 Total funds	3,042,213	2,859,341

*The majority of these costs relate to donated services in relation to website work provided by OLM Systems.

**In 2020, £15,200 relates to donated services in relation to professional advice provided by Cordis Bright.

There was no restricted expenditure for the promotion of high quality social care and social justice in either of the above years.

5 Support costs

	Staff costs £	Office costs £	Total 2021 £	Staff costs £	Office costs £	Total 2020 £
Costs of raising funds (note 3)	151,085	3,416	154,501	71,253	601	71,854
Costs of charitable activities (note 4)	301,629	73,907	375,536	486,390	86,403	572,793
	452,714	77,323	530,037	557,643	87,004	644,647

Support costs have been allocated based on staff time. This basis is consistent with the use of resources.

Office costs include the costs for office accommodation, IT and HR support. These are based on a service level agreement with the LGA.

Support costs above include the following governance costs:

	2021 £	2020 £
Auditor's remuneration		
. Current year	7,830	7,600
. Other services	2,060	2,000
Insurance		
. Trustees' indemnity	558	537
. Other	739	758
Trustees', Executive Committee and meeting expenses	3,761	8,009
	14,948	18,904

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

6 Staff costs

The number of persons employed by the LGA on behalf of the charity or employed directly by the charity during the year was:

	2021 No.	2020 No.
Full time	7.0	9.8
Part time	8.3	3.2
Total	15.3	13.0

Average head count for the number of employees in the year was 11.6 (2020: 11.2)

6 Staff costs (continued)

	2021 £	2020 £
Staff costs during the year were as follows:		
Wages and salaries	887,428	699,509
Social security costs	96,580	75,924
Pension costs	39,491	39,635
	1,023,499	815,068
Payments to subcontractors	173,783	222,057
Other staff costs	6,699	389
	1,203,981	1,037,514

Details of the number of employees with emoluments greater than £60,000 (excluding employer's National Insurance and pension contributions) are as follows:

	2021 No.	2020 No.
£60,001 - £70,000	2	—
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£120,001 - £130,000	1	1

During the year the following pension contribution amounts were paid in respect to the above higher paid employees:

	2021 £	2020 £
Pension contributions	32,794	26,739

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive, the Deputy Chief Executive and the Resource Manager of the charity.

The total remuneration (including taxable benefits and employer's national insurance contributions but excluding employer's pension contributions) of the key management personnel for the year was £293,570 (2020 - £297,752).

7 Trustees' expenses and remuneration

ADASS Trustees have an active role as the face and voice of the organisation, including influencing policy and developing partner relationships nationally. Out of pocket expenses incurred performing this role are reimbursed to Trustees or paid for directly by ADASS on their behalf.

During the year, expenses totalling £3,735 (2020: £7,793) have been incurred in respect of three Trustees (2020: two). Expenses comprise hotel accommodation of £nil (2020: £236), travel of £60 (2020: £957), and subsistence and other expenses of £3,675 (2020: £6,600).

7 Trustees' expenses and remuneration (continued)

No Trustee received any remuneration in the year (2020: £nil) from the charity.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £558 (2020: £537) and provides cover of up to a maximum of £1 million (2020: £1 million).

8 Tangible fixed assets

	IT & Comms equipment 2020 £
Cost	
At 1 January 2021	12,251
Additions	781
At 31 December 2021	<u>13,030</u>
Depreciation	
At 1 January 2021	3,436
Charge for the year	4,235
At 31 December 2021	<u>7,671</u>
Net book value	
As at 31 December 2021	5,361
As at 31 December 2020	<u>8,816</u>

9 Debtors

	2021 £	2020 £
Contract income and grants receivable	297,048	697,285
Other debtors	52,600	126,686
Prepayments	24,248	20,572
	<u>373,896</u>	<u>844,543</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	62,711	62,291
Other creditors	8,911	17,842
Amounts owed to Regions	—	491,698
Taxation and social security	3,063	126,436
Deferred income	107,010	65,500
	181,695	763,767

Deferred income relates to amounts invoiced in relation to funding relating to the next financial year.

	2021 £	2020 £
Deferred income as at 1 January	65,500	115,664
Released in the year	(65,500)	(115,664)
New deferrals	107,010	65,500
Deferred income as at 31 December	107,010	65,500

11 Related party transactions

ADASS holds service level agreements with the Local Government Association (LGA) for office rental, media services and the employment within the charity. The total amount charged to ADASS by the LGA during the year was £283,114 (2020: £257,110). The balance owed to the LGA at 31 December 2021 was £nil (2020: £nil).

In 2021, ADASS made a contribution to the President's employer in recognition of the significant time required to perform the role within the charity. ADASS paid £nil (2020 - £48,000) to Norfolk County Council in respect to this and paid £28,750 (2020 - £nil) to Oxfordshire County Council in respect to this.

All Trustees are also members of ADASS with their respective local authorities meeting the cost of their subscriptions on an arms-length basis. Other transactions with Trustees are disclosed in note 7 to these financial statements.

There were no other related party transactions in the year requiring disclosure (2020 – none).