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31 MAR 2019

CHARITY COMMISSION
FIRST CONTACT

15 OCT 2019

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Financial Statements and Highlight Report

2018/19



25
years
Anniversary

Brandon
Live free
the learning disability charity

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CHARITY COMMISSION
FIRST CONTACT

15 OCT 2019

ACCOUNTS
RECEIVED

Chair's message

25 years ago, Brandon Trust started with 25 people

This year, Brandon Trust celebrates its 25th anniversary. Back in 1994, Brandon Trust started with just 25 people, set up in response to the government's agenda to move people out of institutions and integrate them into communities.

Around 1.5 million people in the UK have a learning disability. Despite significant improvements in care and support in the last 25 years, people with a learning disability still experience significant inequalities.

Brandon Trust exists to change this. We aim to enable the people we support to live their lives in the way they choose; to reach for their dreams and be all they can be; to live free.

For the past nine years, I have been Chair of Trustees and I have seen significant change in that time.

Brandon Trust is now a team of over 2,000 which supports around 1,600 children, young people and adults with a learning disability, autism or both.

**"We have built an unrivalled reputation
for the quality of our services and our people-
centred approach"**

Over the years, we have expanded to operate across the south of England and south Midlands, from London through Warwickshire to Cornwall, from our headquarters in Bristol.

After nine years as Chair, it is my time to step down. I feel an enormous sense of pride knowing I am leaving Brandon in a position of strength and optimism.



We have built an unrivalled reputation for the quality of our services and our person-centred approach.

I am also pleased with the financial performance set out in this Annual Report and Financial Statements. It places Brandon on a stable footing from which to build further and continue to pursue our core purpose.

Finally, may I take this opportunity to thank the many people who have supported Brandon Trust in my time as Chair – it has been an honour and a privilege, and I wish Brandon every success for the next 25 years!

**"I feel an enormous sense of pride
knowing I am leaving Brandon in a position
of strength and optimism"**

Bonnie Dean, Chair of the Board of Trustees

'Live free' remains at the heart of our efforts

We are delighted to present Brandon Trust's annual report and accounts for 2018/19.

The case studies contained in this report provide a wonderful opportunity to reflect on the amazing work our staff teams do day in day out, to help the people we support live the lives they choose.

As Bonnie mentions in her introduction, this is our 25th year and much has changed during that time, but our vision and ethos remain constant. Our vision to see the people we support 'live free' remains at the heart of our efforts – putting both the needs and aspirations of the adults and children that we support at the centre of everything we do – and enabling individuals to live the life they choose.

"I never cease to be amazed by the ingenuity of our teams and their commitment to the people we support"

There is no greater privilege than to see the joy and enthusiasm with which the people we support embrace and live life.

Brandon is known for the quality of its support. We are proud of our reputation and the strong relationships we have built as a result with stakeholders and regulators.

"Our vision to see the people we support 'live free' remains at the heart of our efforts"

Our teams are focused on providing person-centred support built around the needs and aspirations of individuals, then supporting them to achieve amazing outcomes and the things that matter most to them; things that so many of us take for granted.

As well as our focus on quality, we have continued to strengthen our financial position this year. Like everyone in the sector, we have had to adapt to the ongoing pressures of austerity and the impact for our commissioning partners.

Chief Executive's message



We have and continue to work closely in collaboration with all stakeholders to ensure we continue to provide high-quality services within an increasingly challenging financial environment.

Of course, any challenge provides opportunities to 'think and do' differently. I never cease to be amazed by the ingenuity of our teams and their commitment to the people we support.

Everyone at Brandon is grateful for the support we receive from all our stakeholders and I hope that in reading this report you will feel inspired as you learn more about our work.

I would like to extend sincere thanks also to our wonderful Board of Trustees, led by Bonnie Dean our Chair, who will be greatly missed when she leaves us towards the end of 2019.

Sue Porto, Chief Executive

Director's report

Objectives and benefits

The Trust's charitable purpose is 'to benefit the public by the provision of relief to those in need by reason of any form of learning, physical, or sensory disability or mental illness, this relief being provided by all forms of support to enable them to live the lives they choose, and in particular by support in the home, by support in the community and the work place, and by the provision of residential accommodation'.

The Directors present their annual report (incorporating the strategic report) and financial statements for the year ended 31 March 2019.

The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015, and the statutory requirements of the Trust's Governing Document, in preparing the annual report and financial statements of the charity.

The Directors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit, 'Charities and Public Benefit'.

Brandon Trust's core business is the provision of support services across the south of England to individuals with a learning disability. Predominantly these are adults, but with some provision for children and young people.

Our services include supported living, accommodation with care and nursing and a wide range of employment and leisure activities to adults and children with learning disabilities and autism, across most of the south west of England, Oxfordshire, Warwickshire and some London boroughs.

Our ethos is to support people to live as independently as possible and develop services that equip people to live in their own home.

During 2018/19 we supported 1,577 Individuals (2017/18 1,482) with a wide range of needs, including complex physical and health issues, mental health issues, autism and people who communicate through behaviours that can be challenging.

Our funding for core services is provided to ensure that the people we support can access our services in line with the identified needs and regardless of their financial circumstances. The additional activities and opportunities we provide are mostly funded through Brandon fundraising and, in the case of some enterprises, jointly funded with commissioners.



19 local authorities
use our services

A year in numbers



2019 is the 25th
anniversary of
Brandon



Brandon is
a team of **2,296**
employees



CareQuality
Commission

1 service rated by CQC

as 'outstanding'



In 2018/19, we supported

1,577

people



649 in supported living and enabling

269 children and young people

240 people in supported employment
in enterprises

172 day opportunities and community
support

144 in respite provision

76 people in accommodation with support

27 people in accommodation with
support and nursing

About Brandon

Brandon Trust was formed in 1994 by the merger of the Buttress Trust and South Avon Housing Association.

Today, we are an independent charity, supporting around 1,600 children, young people and adults with a learning disability, autism or both.

We exist to enable children, young people and adults with a learning disability, autism or both to live life in the way they choose.

We do that by providing high-quality, person-centred support that focuses on enabling each individual to achieve their dreams and truly live free. This ranges from light-touch enabling services through to 24-hour support.

Headquartered in Bristol, we operate across the south of England and south Midlands, from London through Warwickshire to Cornwall. Our support is designed and delivered by a staff team of over 2,000 and underpinned by our values.

We are committed to working with the people we support, and those who surround them, to shape a future where every person with a learning disability will be empowered to live their life to its full potential.

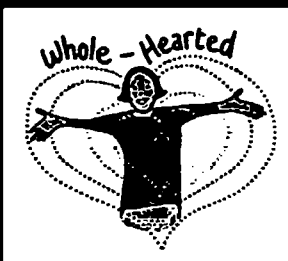




Our organisation has a clear set of core values, underpinning our fundamental principles and behaviours.

They are a sign of our approach, inform our decisions, and help us attract employees with the right attitude.

Our values



Whole hearted people

- Take a person-centred approach
- Help people to make choices
- Bring out the best in people
- Respect people's differences
- Friendly, kind, and compassionate



Solution-seeking people

- Ask questions
- Take a coaching approach
- Show resilience
- Plan effectively
- Set high standards



Adventurous people

- Take considered risks
- Make things happen
- Try new things
- Push for change
- Have a 'can-do' attitude



Connecting people

- Bring people together
- Make links to improve things
- Work with all types of people
- Spot opportunities for growth
- Team player



Creative people

- Flexible and creative
- Use imaginative ideas to solve problems
- Bring new perspectives
- Like to think outside the box

Focus on quality

Ensuring that the support we provide is high-quality and focuses on what matters to people is at the heart of all we do.

In 2018-19, 25 of our services were rated 'good' or 'outstanding' by the Quality Care Commission (CQC), the independent regulator for health and social care in England, with one requiring improvement.

Having our services recognised at this level shows the incredible impact our people have on the lives of people we support.

Our CQC inspection reports – available on the CQC and Brandon Trust websites – are full of examples of teams going above and beyond to empower, enable and improve the lives of people we support.

What CQC says about us...

"To support staff to care for people in a person-centred way there were clear and detailed examples of a personal 'life story' about each person... [It] contained meaningful photographs, pictures and words of support from friends, relatives and other relevant parties."

Care home CQC report, November 2018

"Staff had taken both people ice-skating at a Christmas ice rink. We saw photos of both people in the wheelchairs being supported to skate on the ice. This was an excellent example of a well-planned and highly responsive therapeutic activity."

Nursing home CQC report, February 2019

"People were encouraged to make decisions about their care and their daily routines. Staff asked individuals for their choice and gave time for the person to consider the question and respond."

Respite care CQC report, November 2018

Experts by experience

The people we support told us that they wanted people like them, with experience of support, to be the people who checked the quality of their service.

That's why we've joined the Association of Quality Checkers.

Our Quality Checkers are trained to ask questions and find out about another person's support.

This means they can give a unique perspective on the support we provide to others.

Their feedback is then put into written reports, celebrating the things people love about their support team and, where needed, help make their support better.



Meet the Quality Checker team

Ann

I think good support: arrives on time, lets me know of any problems, listens and helps me with my laptop, asks to make drinks, checking what I like to eat, and helps me to order ready meals. I choose staff that I like. There's one rule: to share equipment, all the tenants making decisions.



Ross

I think good support: helps to do thinking, letting me drive, takes time to get to know the person, and listening.



Craig

I think good support is: helping people clean, play guitar with me, listen to music with me, play on computer, spends time with me.



Chris

I think good support is: helping me to do chores, get out walking, helping me to stay fit and well, helping me to go places, listening to what I say.



Eleanor

I think good support is: supporting us in day-to-day activities, looking after us, being friendly, going out for day trips, make our own choices.



Mary

I think good support is: somebody who lets me make my own decisions, who gives me helpful advice when I ask for it. Somebody who is available when I need them, who checks how my support is working for me and agrees to make changes if I ask for them.



Real stories

Brandon teams win two Great British Care Awards

This year, two of our teams were crowned regional winners at the Great British Care Awards.

Our team at St Petrocs in Cornwall won the South West Care Team Award for Supported Living and our team in Gloucester were announced as winners of the West Midlands Putting People First Award.

The awards celebrate excellence in social care, and our finalists had all achieved something extra special.

St Petrocs team leader Sharon Willetts said: "We're so pleased to have won! The team thrives on overcoming the challenges that support workers are faced with each day. No two days are ever the same. We strive to do our best to give each person we support the tools needed to live their life to the fullest."

"The team thrives on overcoming the challenges that support workers are faced with each day"

Gloucester team leader Tammy Perchard said: "It is absolutely amazing to have the fantastic work the team has done, and the journey the gentleman we support has travelled, recognised like this.

"We have supported this person to move and settle into his own home after seven years of living in a hospital.

"He has now built meaningful and trusting relationships with staff, and appears happier and more comfortable in his own skin."



Real stories

Book launch is a dream come true for Hayley

In July last year, Hayley Buxton, a gifted artist supported by Brandon, took her first step towards her dream of becoming a famous illustrator of children's books as she launched her very own published book *'A Perfect Friend for Jim'*.

Hayley, 23, has been spending three days a week at our social enterprise Banwell Pottery since 2016. During this time, supported by the talented Banwell team, she has truly flourished, gaining confidence and skills, as well as the opportunity to exhibit and sell her work.

'A Perfect Friend for Jim' covers issues that others, particularly those with autism, may encounter while trying to find a suitable friend.

"It's been an incredible journey to be a part of – Hayley is a true inspiration"

Featuring Hayley's beautiful acrylic paintings and wording transcribed from her descriptions, the book tells the story of Jim, a blue deer, as he wanders through the forest to find his perfect companion among an array of fantasy creatures.

Hayley told us: "I really wanted this beautiful story book to be made. It is the first time I've ever been an illustrator like my favourite illustrator Quentin Blake. I think it's going to be amazing – if the children really like it, it's fine with me!"

Banwell support worker Naomi Sim said: "We really hope this book shows the importance of making sure those who often aren't in the limelight have the opportunity to tell their stories and show their skills. It's been an incredible journey to be a part of – Hayley is a true inspiration."





Dream Fund

In 2018, 48 dreams came true thanks to the generous donations of Brandon supporters. This year Brandon's Dream Fund raised nearly £16,000 to help people we support achieve a special aspiration or wish.

Thanks to our supporters, the Dream Fund has helped make a wedding day beautiful, enabled a talented artist to publish her first book, taken people on holiday, and created stimulating and engaging environments for people with complex needs.

The Dream Fund also helps people with a learning disability or autism to achieve or do ordinary things that we often take for granted, like travel somewhere new or decorate their home. It's 100% funded by our supporters and helps people achieve their dreams, big or small, and truly live free. Anyone who is supported by Brandon can apply.





Planning the party of a lifetime

Ann is one of our Quality Checkers. At the beginning of this year, she was diagnosed with an aggressive form of cancer and has been undergoing some very difficult treatments.

She has had to cope with losing her hair and feeling very unwell. She said: "I do have times when I feel well, and I would like to celebrate with my friends. I'm not sure how many opportunities I may have to do this in the future."

Ann went to her friends' wedding, both supported by Brandon.

"They had a great party and a band. They'd asked me to be PA so I'd helped plan their wedding – I thought that was great. I really enjoyed myself but it made me sad to think that I had never had such a party – then I thought maybe I could."

Shortly after the wedding, Ann made an application to the Dream Fund. Her dream was to hold an end of chemotherapy party. The panel were quick to accept and award her enough money and is planning to hold the party of her dreams!

Dream Fund

'I won the Dream Fund!'

"Hi everyone, I am Peter. I am very excited to tell you all a bit about myself, so let's start..."

"Singing is my passion. When I was about five years old mum and dad took me to Butlins where I sang karaoke in a bar with a Redcoat. That's where it all started. I then had my own karaoke machine and after that there was no holding me back."

"I am so much more confident and happier."

"I sing and dance and do drama"

"All of us in my family used to sing. They used to call us the Von Trapps from The Sound of Music."

"I went to Weston College for a year and did lots of different courses such as bike and car maintenance, hair and beauty, performing arts, sport and cooking, but I became very poorly, and after a long illness, it was too much to cope with. That's when I found Brandon Trust."

"We had an email to say we got lots of money, to choose items for our music and sensory room. We were all very happy, and together thought about things we would like to buy. It was really fun when all the boxes started arriving."

"I am so much more confident and happier. I sing and dance and do drama. But we didn't have much equipment, so decided to apply to Brandon's Dream Fund."

"For days things arrived... and here we are with lots of new stuff for us all, so we can all practise. Our music and sensory sessions are a lot better since all this equipment arrived. We are very lucky and happy and look forward to our sessions."

"Now I can carry on with my passion of becoming the next George Ezra."

"I would love to get a job as a DJ or singer. Maybe one day, if I keep practising, I will reach my dream, as I never let anything hold me back."

Living free

We have a number of social enterprises offering people with learning disabilities and autism opportunities to gain work skills, vocational training, and paid employment.

Elm Tree Farm is a care farm in the middle of Bristol. It has a range of livestock and grows a wide variety of organic produce, sold at the farm shop and also at Bristol's weekly farmers' market. Over 50 people with learning disabilities and autism work at the farm.

Greenfields offers older people opportunities to get involved in gardening and craft activities. They produce and sell fresh fruit, vegetables and salad, as well as wood planters, bird houses and kindling.

Banwell Pottery in Worle, near Weston-super-Mare, and **Fired Up Ceramics** in Yate, near Bristol, offer practical work experience, training opportunities, and supported employment. Products are sold at the Brandon charity shops.

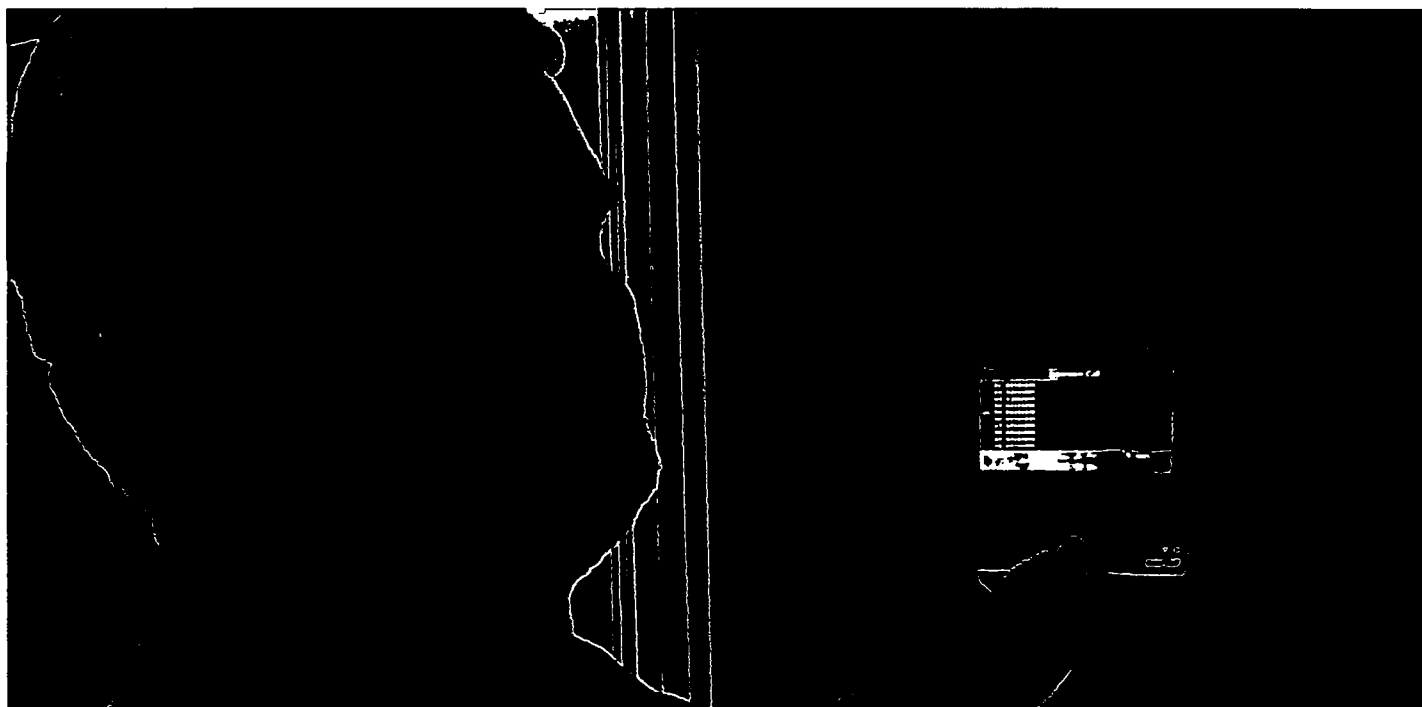
Grimsbury Farm Barn Café and the **Vassall Centre Café** provide opportunities for vocational

employment. The aim is to help people transition into the workplace and gain transferable life and social skills.

Grounds & Gardens provides high-quality, competitively priced gardening and grounds maintenance to organisations and households in Bristol, South Gloucestershire, and North Somerset. It provides paid employment opportunities.

Our **three Bristol charity shops** have a boutique feel and are a treasure trove of current trends, vintage pieces, and designer finds. They are run by employees.





We are currently working with two local authorities to pilot assistive technology in a range of support models.

- Supportive or enabling – help individuals perform tasks that they may find difficult.
- Detection and responsive technologies – help individuals manage risks and raise alarms.
- Prediction and preventive technologies – help prevent dangerous situations and raise alarms.

All of our new accommodation projects are enabled with high specification cabling to support the development of Smart Homes Technology – such as controlling lighting, temperature and door locking – to allow people to live as free as possible.

Buzz the hub

In Weston-super-Mare, residents from a former Brandon care home moved into their own purpose-built flats. Each flat is equipped with a video-entry system and, if they are worried or need support at any time, they can buzz the hub to speak to a staff member. This gives them reassurance without stopping their independence.

Eye gaze

Derek is now able to verbally communicate his choices for the first time in his life and direct his support staff through retina-to-voice technology.

Tech living



Brain in hand

Wayne is very enthusiastic about learning how to use Brain in Hand – giving easy access to personalised reminders, notes, prompts and coping strategies.

Learning disability and dementia

In addition, we have partnered with Plymouth University as part of the EPIC project, to measure the impact of our assistive technology service model for older people with a learning disability who also have dementia.



When Tony first began supporting people it was a different world. The emphasis was on day services and in providing set activities for a group of people.

Now it's about supporting individuals to choose what they want to do, to follow their interests.

Tony says: "Everything is much better now. People have more control over their own choices and their community is accessible to them – they can access transport and go where they want to go.

"I'm happy to see the people we support being empowered to make choices – it's so rewarding. The change began when person-centred planning came in – we weren't making choices for people, instead we were supporting people to make their own choices and achieve their goals."

**"There's nothing people can't do now
with the support they have"**

As support has evolved, he has found he has more time working with people and providing direct support. This enables him to better support individuals to make their own choices, to give them time to do that.

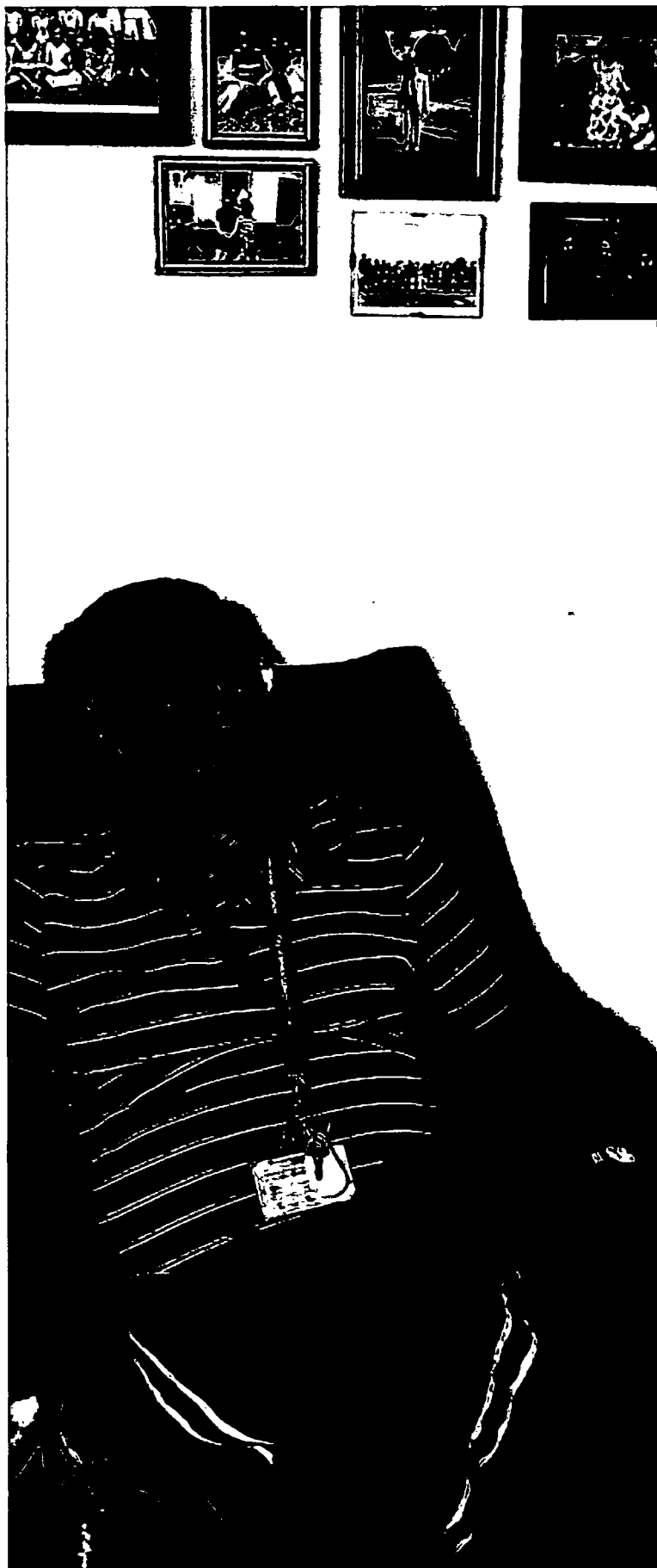
The difference time makes is obvious. He explains that one of the gentlemen he supports has gone from saying single words to short sentences. He describes how much happier the man is, explaining that he is relaxed now, he's been to the theatre and even on holidays.

Tony has seen this change in other people too. He concludes: "There's nothing people can't do now with the support they have."

Staff view

Tony began working in the care sector 37 years ago and for the last 25 years he has been supporting people with learning disabilities, autism or both.

For many people, change is a challenge, but not for Tony. His positivity towards ever-evolving support is inspirational.



Family view

Family and friends play an important role in helping Brandon provide person-centred support. Anthea's brother, Julian, is supported by Brandon. Having been in various forms of care since his teenage years, Julian has experienced most settings. Now he lives in his own flat.

What was it like when Julian first moved out of the family home?

It was such a long time ago, it's hard to remember. He was in institutions at first, mental health hospitals. The doctors were giving him lots of medicine and his condition was difficult to get under control. He liked the hospital but when he returned recently for a project, he seemed to have bad memories and didn't want to be back there.

How did you feel when he moved into his own flat?

I had a lot of doubts in the beginning, but I have to admit I was wrong. He's really enjoying his flat and the staff are really good. He doesn't roam anymore, perhaps because he has his own space – he doesn't feel the need to take himself away.

What's changed since he had his own flat?

He's a lot more optimistic, on the right day he's very communicative. He gets out quite a bit. At a pub quiz recently, he remembered some of the answers about Thunderbirds – which he used to love.

What's great about his support now?

Staff know him so well. My son lives nearby and noticed that his moods came in cycles. Staff noticed the same and can anticipate his moods and read the signs. Recently, staff took him ten-pin bowling and Julian told me he got three strikes! A while ago he wouldn't have contemplated doing that. He's encouraged to do as much as he can and then a bit more when he's in the right frame of mind.

How do you feel about Julian's support team?

They put my mind at rest no end. When we've had incidents in the past it's been very worrying – they're in the past to us but still present in Julian's mind. The staff help him, he talks about the incidents less now, so it's very reassuring. Staff there are very supportive and I totally trust them.

Financial Performance and Results for 2018/19

The surplus for the year from operating activities (net income / (expenditure)) from unrestricted funds before pension movements and transfers) was £2,096,472 (2017/18: £2,477,789). The focus for this year was stabilisation following improvement in the financial position during the previous year. Profitability was maintained despite downward pressure on Local Authority budgets through:

- Negotiating uplifts with commissioners, including funding agency costs in areas where unemployment is low, and recruitment is difficult.
- Increased levels of focus and support for our recruitment and retention activities – increasing establishment levels and cutting back on temporary labour of all types.

Principal incoming funding is from Local Authorities to support the delivery of accommodation with care, supported living and work, learning and leisure services. The net income before other gains and losses, but after transfers, was £1,997,011 (2017/18: £3,230,758), which is broken down below:

	FY 18 / 19	FY 17 / 18
Unrestricted funds	£2,096,472	£2,697,789
Pensions	(£11,000)	£776,000 ¹
Restricted funds	(£88,461)	(£243,031)
Total	£1,997, 011	£3,230,758

The pension gain was largely as a result of contract negotiations involving the Avon Pension Fund (page 53), which resulted in a new admission agreement, and terms which have resulted in final liabilities passing to the local authority.

Segmental Reporting

In line with our continued strategic journey towards increased choice and control for people with learning disabilities Supported Living services continue to rise:

	FY 18 / 19	FY 17 / 18
Accommodation with care	16%	16%
Supported living	74%	73%
Other funds	10%	11%
Total	100%	100%

Financial Performance and Results for 2018/19

Reserves and Going Concern

The Unrestricted reserves position (excluding pension reserve) is summarised below:

	FY 18 / 19	FY 17 / 18
B/F Unrestricted reserves	£12,582,500	£9,884,711
Current year surplus / (deficit)	£2,096,472	£2,697,789
C/F Unrestricted reserves	£14,678,972	£12,582,500

Revaluated reserves included in above C/F value	£1,941,071	£1,941,071
Designated reserves included in above C/F value	£17,793	£18,198

And after adding restricted pension reserves:

	FY 18 / 19	FY 17 / 18
C/F Unrestricted reserves	£14,687,972	£12,582,500
C/F Restricted reserves	£1,876,393	£1,964,854
C/F Pensions reserve	(£226,000)	(£151,000)
C/F Total reserves	£16,329,365	£14,396,354

During the year the Trust's general reserves (excluding revaluation and designated reserves) increased from £10,623,231 to £12,720,108 (see note 13).

Of this, free reserves (unrestricted funds excluding pension fund reserve - adjusted for tangible and intangible assets) amounted to £11,700,094 (2017/18: £9,388,442).

While the reserve policy excludes the FRS102 pension liability, the Directors are satisfied that this liability could be met if it crystallised in the short term and the Trust would remain a going concern.

The Directors' reserves policy is based on a risk management strategy that considers a range of individual elements of the organisations risk profile, each with associated value ranges. The most recent assessment of reserve levels against the risk profile has determined that the current minimum free reserves target is £6,850,000. The Directors consider that in assessing the current level of reserves together with financial modelling and risk assessments, that the Trust is a going concern.

Financial Performance and Results for 2018/19

Recognising the continued difficult financial climate that the Trust operates in the Audit Committee will review the reserves policy and the risk profile on an annual basis. In considering the going concern status of the Trust the Directors have considered the recent ruling on overnight workers, which is explained in note 22.

Retirement Benefits

Accounting standards require that the movement in the deficit on the Avon Pension Fund defined benefit scheme along with the Gloucestershire Pension Fund defined benefit scheme be shown as part of the results for the year. The overall net pensions deficit at 31 March 2019 of (£822,000) (2017/18: (£644,000)) that appears in the Brandon accounts is made up as follows:

	Avon pension fund	Glos pension fund	Total
Opening (deficit)	(£493,000)	(£151,000)	(£644,000)
Change in Year	(£103,000)	(£75,000)	(£178,000)
Closing (deficit)	(£596,000)	(£226,000)	(£822,000)
Pension reimbursement asset recognised	£596,000	Nil	£596,000

Avon

Under the terms of the agreement with North Somerset Council for Day Services pension liabilities arising at the end of the contract revert to the Council. As such a pension asset continues to be recognised by Brandon equal to that of the pension liability of the scheme.

Investment Policy

The primary aims of the Trusts' investment policy are:

- Protect reserves against inflation and maintain the real capital value of the portfolio over the longer term;
- To make a net (post fees) returns in excess of that which could be achieved by cash deposit investments;
- Combining these two factors, to make a total real return of at least RPI plus 3% per annum.

Financial Performance and Results for 2018/19

The Trust has continued to invest free reserves in a 'managed fund' with CCLA and has reviewed and adopted their ethical investment policy in selecting the appropriate Investment fund. The policy is consistent with the aims of the organisation.

	Investment made	Value at March 2019	Investment Gain/(Loss)	12 months Gain/Loss %
Tranche 1 - Jan 2016	£1,000,000	-	-	-
Tranche 2 - Jun 2016	£200,000	-	-	-
Tranche 3 - Jul 2018	£1,500,000	-	-	-
Total	£2,700,000	£3,311,011	£611,011	11.4%*

* 12 months investment movement reported by our broker CCLA

The Trust is satisfied that the returns exceed the objectives of the investment policy and the ongoing performance of the fund will continue to be monitored by the audit committee. The rest of the Trust's free reserves are managed via a treasury management policy which invests surplus funds in short term deposits which can be accessed readily.

Modern Slavery and Human Trafficking Statement

Brandon recognises its responsibility to prevent slavery and human trafficking in our corporate activities, and to ensure that our supply chains are free from slavery and human trafficking.

The charity has in place a Trustee approved Statement which sets out its actions to identify, understand and eradicate this risk. The statement highlights risk assessments done to establish which elements of our supply chain are most at risk from modern slavery. These higher-risk supply chain areas have been identified as;

- Agency staff providers,
- IT equipment and service providers,
- Property landlords; and,
- Building, cleaning, maintenance contractors.

Brandon's Board of Directors have approved a series of enhanced organisational controls and policies to specifically address Modern Slavery risks, including:

- Recruitment Policy
- Procurement Policy
- Whistleblowing Policy.



Financial Performance and Results for 2018/19

Risk Management

The Directors' Risk Management Policy is to examine the major risks that the charity faces each financial year and to ensure that there are measures in place to monitor and control these risks and to mitigate any impact that they may have in the future. We place a key emphasis on assurance, particularly external assurance (third line of defence model) to effectively manage risk. The key risks and strategies are highlighted below:

Principle Risks and Uncertainties	Strategic plans to manage risk
Brandon is unable to retain a suitably skilled workforce	Developing effective strategies to manage staff turnover, recruitment, sickness and retention.
A lack of modern integrated systems compromises our ability to function effectively and efficiently	Investment in a new systems development team and greater strategic focus on internal system improvement, systems technology and data security. This includes a new information management service for people that we support.
Compliance Risk	Continuous improvements in our systems of controls and the quality of our service delivery. This will be reflected in a new Governance framework, which is currently under development.
Financial stability	Refreshing financial strategies to manage service margins, and new business tendering.
Sleeping Night liability from MENCAP judgement	Refer to note 22. The risk has been assessed by the Trust.

Trust and Group Structure

Brandon was formed as a company limited by guarantee in 1994. The Directors, who may also be referred to as the Trustees, are the members. The Directors at the date of approval of this annual report and consolidated financial statements are provided within the Reference & Administrative Information on page 29. The Trust is also a charity, and its governing document is its Memorandum and Articles of Association, which was last amended on 2 June 2013.

The Trust has a wholly owned subsidiary, Odyssey Care Ltd, acquired on 20 April 2011 (see note 8 to the accounts). All of the trading activities and the assets and liabilities of Odyssey Care Ltd are now transferred to Brandon Trust and are operated as Brandon's 'London' area. Odyssey Care Ltd retains ownership and reports on 2 properties in Croydon, including the 100% NHS Properties grant attached to them.



Financial Performance and Results for 2018/19

Governance and Management

The charity is administered by a Board of Directors who meet no less than quarterly. They are responsible for setting the strategy of the charity, scrutinising and monitoring its operations in pursuit of that strategy, safeguarding its assets, and values, and supporting its work. The Board has the following sub-committees, each with specific terms of reference:

- Governance & Nominations Committee – meets no less than bi-annually.
- Audit Committee – meets no less than quarterly.
- HR Committee – meets no less than quarterly.

The day-to-day operation and management of the Trust is delegated to the Executive Management Team, led by the Chief Executive.

Election, Recruitment and Training of Directors

Under the Code of Governance adopted by the Directors, no Director can serve for longer than six years from the date of appointment. At the end of a three-year term of office a Director is eligible for reappointment by the Board for a maximum of one further period of three years. New Directors are actively recruited via a recruitment, application and interview process managed by the Governance and Nominations Committee (GNC) and bring a range of specialist experience and expertise to the Board.

Directors are appointed by a majority vote and all new Directors undergo a tailored induction and training programme designed to ensure that they have the understanding and skills to fulfil the role of the Trustee under charity and company law. There is a regular skills audit of Directors to ensure that training needs are addressed, along with an annual review of Board and Chair's performance. Directors are committed to visiting three services each year, to meet staff and gain a genuine understanding and insight into the support that Brandon provides and the difference that we make to people's lives.

Related parties and co-operation with other organisations

None of the Directors received remuneration or benefit from their work with the charity. Any connection between a Director/senior manager and organisations with which the charity engages must be disclosed to Trustees in the same way as any other contractual relationship with a third party. In the current year no such related party transactions were reported.

Setting Pay and Reward for Management

The executive management team are charged with directing and managing the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of director's expenses are disclosed in note 3 to the financial statements. The pay of the Chief Executive is reviewed periodically by the Board, with Executive Leadership Team (ELT) pay reviewed by the Chief Executive and Board. The Trust uses market data to benchmark pay levels throughout the Trust against similar organisations, and together with affordability, determine appropriate levels for the ELT and all pay grades throughout the organisation.



Financial Performance and Results for 2018/19

Employee involvement

We have engaged staff extensively in the development of our continued improvement plan. This has involved; 'Listen and Learn' sessions for the Executive Leadership Team with each Area, functional engagement in the development of the improvement plan, and a Cultural Survey which received responses from over half (53%) of our staff. We also regularly engage with union representatives on our Joint Forum on all matters affecting the work of our employees.

Disabled Persons and Equal Opportunities

The charity had an equality policy and an annual equality action plan alongside our commitment to the 'Positive about Disability' accreditation. Disabled people are recruited into suitable posts.

Assistance is always given and, where possible, adjustments made to enable people to retain their employment and to access training. The charity employs a number of people with a learning disability and has an accessible pre-employment process and related documentation.

The charity's disabled employees and other disabled people make extensive input into our training programme, including inducting new staff.

Fundraising

We are registered with the Fundraising Regulator and follow their Code of Fundraising Practice to ensure our fundraising activities meet best practice standards. We do not use professional fundraisers or commercial participators.

We received no complaints about our fundraising activities during 2018/19. To ensure that we are protecting vulnerable people and others from unreasonable intrusion on their privacy, unreasonably persistent approaches or undue pressure to give, we have:

- Followed robust processes for updating records of consent.
- Limited postal contact to a maximum of two per active donor during the year.
- Have only emailed those who have given us permission to do so.
- We have not undertaken any telephone fundraising activity during the year.

Charity Governance Code

Brandon has adopted and regards itself as compliant with the Charity Governance Code, including the seven principles of organisational purpose, leadership, integrity, decision making risk & control, board effectiveness, diversity and openness and accountability.



Financial Performance and Results for 2018/19

Future Plans

The Trust has launched a foundation strategy, outlining the following key future initiatives:

Objective	Initiative
Deliver great outcomes for People we support	Develop a new Organisational strategy including: <ul style="list-style-type: none"> • a new approach to capturing outcomes and measuring impact • develop a consistent approach across the organisation to share best practice • embed Positive Behavioural Support (PBS) throughout.
Attract and keep great people	Develop a new strategy to improve Brandon's ability to recruit and retain staff with the right attitude and skills.
Develop efficient processes and systems	Focus on key financial and quality measures to ensure sustainability and determine key system requirements. Including: <ul style="list-style-type: none"> • improvements to Payroll and Pensions processes and systems • auditing and improvement of organisations processes • determine scope and outputs for system development programme • ensure GDPR compliance.
Strengthen Governance	Review, develop and implement: <ul style="list-style-type: none"> • a new policy framework • a new comprehensive assurance framework. • a new corporate governance and compliance function • a review of KPI's linked to these strategies.

Financial Performance and Results for 2018/19

Statement of Director's Responsibilities

The directors are responsible for preparing the Directors' Annual Report (and the incorporated strategic report) and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). The sections containing Financial Performance, Risk Management, Achievements comprise the Strategic Report for the purposes of the companies legislation.

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of information to the Auditor

- a. so far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware, and
- b. the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

The Directors' Report (incorporating the Strategic Report) were approved by the Board on 13 September 2019 and signed on its behalf by:



Bonnie Dean - Chair of the Board of Trustees

Reference and Administrative Information of the Charity

Directors / Trustees

J D Adams	Resigned 22 March 2019
G R H Davies	
B P Dean (Chair)	
M J Floate	Appointed 20 November 2018
M Glinwood	Appointed 1 June 2019
D Huf	Appointed 1 June 2019
C P R Mahood	
H E Marsden	
M J Mohan	
C A Pugh	Resigned 21 June 2019
A Quinlivan	Appointed 1 June 2019
H P Sandilands	
G R Stenson	Resigned 22 March 2019
S J Whatley	Resigned 3 April 2018
WA Wright	Appointed 22 March 2019

Secretary

J C Eastwood	Resigned 27 June 2019
S Potts	Appointed 28 June 2019

Company number Charity number

2365487
801571

Registered office

Olympus House, Britannia Road
Patchway, Bristol BS34 5TA

Chief Executive

S Nichols (Interim) – Resigned 30 July 2018
S Porto – Appointed 30 July 2018

Executive Leadership Team

S J Whatley	Finance & Systems (Interim) – Appointed 3 April 2018 and resigned 3 May 2019
S Potts	Finance & Corporate Governance – Appointed 19 March 2019
I Vlam	Care & Support – Resigned 31 December 2018
T Abbott	Operations – Appointed 1 January 2019
H Hayer	Transformation & Development – Resigned 8 February 2019
A Kingscott	People and Organisational Development – (Interim) Appointed 5 February 2019. Resigned 31 May 2019
G Thomas	People and Organisational Development – Appointed 3 June 2019.

Auditors

Crowe U.K. LLP, Carrick House,
Lypiatt Road,
Cheltenham, GL50 2QJ

Bankers

National Westminster Bank
32 Corn Street, Bristol, BS1 1HQ

Investment Fund Managers

CCLA Investment Management Ltd,
85 Queen Victoria Street, London, EC4V 4ET

Solicitors

TLT Solicitors, One Redcliff Street,
Bristol, BS1 6TP

Trowers Hamlin, Sceptre Court
40 Tower Hill, London, EC3N 4DX

Anthony Collins Solicitors,
134 Edmund Street, Birmingham, B3 2ES

Independent auditor's report to the members of The Brandon Trust

Opinion

We have audited the financial statements of The Brandon Trust for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated and Trust 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:

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report to the members of The Brandon Trust (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

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

Independent auditor's report to the members of The Brandon Trust (continued)

Responsibilities of trustees

As explained more fully in the Statement of Directors responsibilities set out on page 28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or 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 provided on the Financial Reporting Council's website at <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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)
For and on behalf of Crowe UK LLP, Carrick House
Lypiatt Road, Cheltenham GL50 2QJ

3 October 2019

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) For the year ended 31 March 2019

	Notes	Unrestricted Funds	Unrestricted Pensions Reserve	Restricted Funds	Total Funds 2019	Total Funds 2018
		£	£	£	£	£
Income						
Donations and Legacies		109,662	-	107,999	217,661	144,649
Income from charitable activities:						
Fees for Accommodation with Care Services		8,184,919	-	-	8,184,919	7,879,007
Fees for Work, Learning and Leisure		5,082,278	-	-	5,082,278	5,393,283
Fees for Supported Living Services		38,304,880	-	-	38,304,880	36,686,148
Income from other trading activities:						
Charity Shops		270,114	-	-	270,114	248,157
Investment income		28,023	-	-	28,023	16,208
Other income		27,833	-	-	27,833	42,379
Total income		52,007,709	-	107,999	52,115,708	50,409,831
Expenditure						
Expenditure on raising funds:						
Charity shop expenditure		276,640	-	-	276,640	298,383
Expenditure on charitable activities:						
Accommodation with Care Services Costs		7,575,862	1,527	34,541	7,611,930	7,330,806
Work, Learning & Leisure Costs		4,893,952	1,014	-	4,894,966	4,938,943
Fees for Supported Living Services		37,410,893	8,459	-	37,419,352	34,577,935
Other expenditure in the deployment of grants and donations received		-	-	161,919	161,919	113,365
Total expenditure	2	50,157,347	11,000	196,460	50,364,807	47,259,432
Net gain on investments	7	246,110	-	-	246,110	80,359
Net income/(expenditure) before other gains and losses		2,096,472	(11,000)	(88,461)	1,997,011	3,230,758
Other Recognised Gains/(Losses)						
Pension schemes actuarial (loss)/gain	18	-	(133,000)	-	(133,000)	386,000
Remeasurement of reimbursement asset	18	-	69,000	-	69,000	12,000
Net movement in funds		2,096,472	(75,000)	(88,461)	1,933,011	3,628,758
Balances brought forward at 1 April		12,582,500	(151,000)	1,964,854	14,396,354	10,767,596
Balances carried forward at 31 March	12/13	14,678,972	(226,000)	1,876,393	16,329,365	14,396,354

Prior year comparatives by fund are included in note 23 to the financial statements.

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net income/(expenditure) for the year and was £1,997,011 (2018: £3,230,758).

Consolidated Balance Sheet

As at 31 March 2019

Registered company number
02365487

	Notes	£	2019 £	£	2018 £
Fixed Assets					
Intangible Assets	5		71,345		85,292
Tangible assets	6		4,431,869		4,658,143
Investments	7		3,311,011		1,564,901
Total Fixed assets			<u>7,814,225</u>		<u>6,308,336</u>
Current assets					
Debtors due within one year	9	7,093,522		7,035,491	
Debtors due after more than one year	9	596,000		493,000	
Cash at bank and in hand	16	5,728,793		5,669,499	
Total current assets			<u>13,418,315</u>	<u>13,197,990</u>	
Creditors: amounts falling due within one year	10	(4,081,175)		(4,465,972)	
Net current assets			<u>9,337,140</u>	<u>8,732,018</u>	
Total assets less current liabilities			<u>17,151,365</u>	<u>15,040,354</u>	
Pension scheme liability	18	(822,000)		(644,000)	
Net assets including pension liability			<u>16,329,365</u>	<u>14,396,354</u>	
Funds of the group					
Restricted funds (excluding revaluation reserve)	12		854,557		908,477
Restricted revaluation reserve	12		<u>1,021,836</u>	<u>1,056,377</u>	
			<u>1,876,393</u>	<u>1,964,854</u>	
Unrestricted funds: -Revaluation reserve	13		1,941,071		1,941,071
-General and Designated reserves	13		12,737,901		10,641,429
-Pension fund reserve	18		(226,000)		(151,000)
Total consolidated group funds	14		<u>16,329,365</u>	<u>14,396,354</u>	

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 13 September 2019 and signed on its behalf by:



B Dean - Director

Trust Balance Sheet

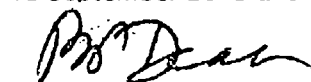
As at 31 March 2019

Registered company number
02365487

	Notes	£	2019 £	£	2018 £
Fixed Assets					
Intangible assets	5		71,345		85,292
Tangible assets	6		3,410,033		3,601,766
Investment in subsidiary	8		1,125,459		1,125,459
Investments	7		<u>3,311,011</u>		<u>1,564,901</u>
Total Fixed assets			7,917,848		6,377,418
Current assets					
Debtors due within one year	9	7,093,522		7,035,491	
Debtors due after more than one year	9	596,000		493,000	
Cash at bank and in hand	16	5,728,793		5,669,499	
Total Current Assets			<u>13,418,315</u>	<u>13,197,990</u>	
Creditors: amounts falling due within one year	10	(4,081,175)		(4,465,972)	
Net current assets			<u>9,337,140</u>	<u>8,732,018</u>	
Total assets less current liabilities			17,254,988	15,109,436	
Pension scheme liability	18	(822,000)		(644,000)	
Net assets			<u><u>16,432,988</u></u>	<u><u>14,465,436</u></u>	
Funds of the charity					
Restricted funds (excluding revaluation reserve)	12		854,557		908,477
Restricted Revaluation reserve	12		<u>1,125,459</u>		<u>1,125,459</u>
			<u>1,980,016</u>		<u>2,033,936</u>
Unrestricted funds-Revaluation reserve	13		1,941,071		1,941,071
-General & Designated reserves	13		12,737,901		10,641,429
-Pension fund reserve	18		(226,000)		(151,000)
Total charity funds	14		<u><u>16,432,988</u></u>	<u><u>14,465,436</u></u>	

The Trust's surplus for the year was £2,091,652 (2018:£3,265,299).

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 13 September 2019 and signed on its behalf by:



B Dean - Director

Consolidated Statement of Cash Flows

For the year ended 31 March 2019

	Note	2019 Group £	2018 Group £
Operating activities			
Cash generated from operations	15	1,681,443	1,157,805
Investing activities			
Purchase of tangible fixed assets	6	(106,906)	(283,683)
Purchase of Intangible fixed assets	5	(45,572)	(13,200)
Purchase of Investments	7	(1,500,000)	-
Receipts from sales of tangible assets		2,306	150
Interest received		<u>28,023</u>	<u>16,208</u>
Net cash (used in) investing activities		<u>(1,622,149)</u>	<u>(280,525)</u>
Net Increase/ in cash and cash equivalents	17	<u>59,294</u>	<u>877,280</u>
Cash and Cash equivalents at beginning of the year	17	5,669,499	4,792,219
Cash and cash equivalents at the end of the year	17	<u>5,728,793</u>	<u>5,669,499</u>

Notes to the consolidated financial statements

For the year ended 31 March 2019

1 Accounting policies

The principal accounting policies adopted, are as follows:

1.1 General Information

The Brandon Trust ("the Trust") is a private company, limited by guarantee, domiciled and incorporated in England. The Trust is a registered charity and registration numbers and details of the registered office (which is also the principal place of business) are set out in the reference and administrative information section of the Report and Financial Statements.

The Group consists of the Brandon Trust and its subsidiary undertaking.

The Trust's (and the Group's) principal activities and the nature of its operations are set out in the Directors' report.

1.2 Basis of preparation

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 (FRS102) (effective 1 January 2015) - (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.3 Basis of Consolidation

The consolidated financial statements, which are prepared on a line by line basis, incorporate the financial statements of The Brandon Trust and entities controlled by the company (its subsidiaries) made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to benefit from its activities. Results of subsidiary undertakings are included from the effective date of acquisition. The Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligations can be measured reliably. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Support costs include Head and Area office costs, finance, HR, payroll and governance costs which support the activities of the Trust. They are allocated to activities on a basis proportional to the full-time equivalent staffing for each area of activity.

Notes to the consolidated financial statements

For the year ended 31 March 2019

1.5 Income

All income is accounted for when Brandon Trust has entitlement, there is probability of receipt and the amount is measurable.

Charitable activities

Income in respect of contracts for the provision of services is recognised when Brandon Trust is entitled based on services provided. Amounts received in advance of service provision are deferred until the relevant part of the contracted service is complete.

1.6 Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the provider or terms of an appeal. Expenditure that meets these criteria is allocated to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other income received or generated for the objects of the charity, without further specified purpose and are available as general funds.

Designated funds are established by the trustees with funds allocated for specific purposes.

1.7 Intangible assets, Tangible fixed assets, depreciation and amortisation

Assets costing less than £1,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised. Intangible and tangible fixed assets are stated at cost or deemed cost less depreciation/amortisation. Depreciation/amortisation is provided on all tangible and intangible assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tangible Assets

Freehold land
Freehold buildings
Property refurbishment
Computer equipment
Fixtures, fittings and furniture
Motor vehicles

Depreciation

Nil
2% straight line basis
25% straight line basis
25%-33% straight line basis
25%-33% straight line basis
25% straight line basis

Intangible Assets

Computer software

Amortisation

25%-33% straight line basis

The directors consider the rate of amortisation of computer software to be appropriate as it reflects the useful life of the asset.

The Trust retains fixed and variable equity interests in some properties sold to a housing partner. These assets are included within freehold land and buildings at deemed cost less depreciation. Depreciation is provided at rates on these interests, in accordance with the policy for Freehold Buildings.

Notes to the consolidated financial statements

For the year ended 31 March 2019

1.8 Financial Instruments

Investments

The Group's investments are valued initially at cost and subsequently at fair value based upon the quoted market prices (current bid price) at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

Financial assets

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price, and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

1.9 Investment in subsidiary

In the Trust accounts, interests in subsidiaries are measured at deemed cost at the date of Transition to FRS102 (1 April 2014) less impairment.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Trust's Statement of Financial activities.

1.10 Cash and Cash equivalents

Cash and cash equivalents comprise cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Leases

All operating leases are charged to the statement of financial activities on a straight-line basis over the lease term. Rent free periods or other incentives for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Notes to the consolidated financial statements

For the year ended 31 March 2019

1.12 Pension costs and other post-retirement benefits

Defined benefit schemes

Employees who joined the Trust under TUPE arrangements have been allowed to retain membership of their defined benefit schemes, namely the Avon Pension Fund and the Gloucestershire County Council Scheme. The cost of the pension schemes is charged to the statement of financial activities to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated based on actuarial advice using the projected unit credit method.

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses that are recognised in the net income/(expenditure):

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/ liability is calculated by applying the rate used to discount the benefit obligations.

Other gains and losses recognised include:

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

1.13 Defined contributions schemes

Contributions payable to the Trust's group personal pension scheme are charged to the statement of financial activities in the period to which they relate. Payments in respect of other post-retirement benefits are charged to the statement of financial activities in the period to which they relate.

1.14 Redundancy Payments

Employee benefits paid on redundancy or termination include accrued amounts where Brandon Trust is demonstrably committed to make these payments but they had not yet been made at 31 March 2019. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

Notes to the consolidated financial statements

For the year ended 31 March 2019

1.15 Going concern

The Trust meets its day-to-day working capital requirements through its internal cash generation. The current economic conditions create uncertainty, however the Trust's forecasts and projections, taking account of possible changes in operating performance show that the Trust will be able to operate within its bank facilities over the next year. Accordingly, the Trustees are satisfied that the Charity and Group have adequate resources to continue in operational existence for at least twelve months and as a result they continue to adopt the going concern basis in preparing the annual report and accounts. In considering the going concern status of the Trust the Directors have considered the recent ruling on overnight workers, which is explained in note 22.

Critical accounting estimates and areas of judgement

- 1.16 Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment within the next financial year are discussed below.

The net defined benefit obligation arising on membership of defined benefit schemes represents the present value of the defined benefit obligations minus the fair value of plan assets out of which obligations are to be settled. In assessing the net defined benefit at the balance sheet date, the Directors utilise valuations provided by the pension scheme actuaries. This includes the principal assumptions for each scheme, which are disclosed in note 18 in respect of each scheme.

Critical areas of judgement

In determining the impact of whether a sleeping night shift falls within the National Living Wage (note 22), judgement has been used to determine the staff affected and to extrapolate a provision based on sample data. Judgement was also used to estimate the impact of staff who have transferred under TUPE into the Trust, and where historic data regarding sleeping nights sits with historic employers. The Trustees have considered the decision in the Royal Mencap Society and Tomlinson Blake Ruling Appeal, and the probability that a further appeal will be successful in determining whether a provision is required.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee.

Notes to the consolidated financial statements

For the year ended 31 March 2019

2 Expenditure

	Staff Costs £	Allocated Support Costs £	Other Direct Costs £	Pensions Reserve Charges £	Total 2019 £	Total 2018 £
Consolidated						
Raising funds:						
Charity shops	123,166	-	153,474	-	276,640	298,383
Charitable activities:						
Accommodation with Care Services	5,388,713	431,080	1,790,610	1,527	7,611,930	7,330,806
Work, Learning & Leisure	3,813,999	286,364	793,589	1,014	4,894,966	4,938,943
Supported Living Services	31,631,655	2,388,428	3,390,810	8,459	37,419,352	34,577,935
Grants and donations (restricted funds)	-	-	161,919	-	161,919	113,365
	40,957,533	3,105,872	6,290,402	11,000	50,364,807	47,259,432
Year ended 31 March 2018						
Consolidated						
Raising funds:						
Charity shops	128,227	-	170,156	-	298,383	
Charitable activities:						
Accommodation with Care Services	5,569,086	418,244	1,450,997	(107,521)	7,330,806	
Work, Learning & Leisure	3,865,595	275,312	868,812	(70,776)	4,938,943	
Supported Living Services	29,845,485	2,325,004	3,005,149	(597,703)	34,577,935	
Grants and donations (restricted funds)	-	-	113,365	-	113,365	
	39,408,393	3,018,560	5,608,479	(776,000)	47,259,432	

Allocated support costs include governance costs of £72,564 (2018:£63,484).

	2019 £	2018 £
The Pension reserve charges/(credits) are analysed by scheme in note 18 and comprise:		
Net interest	18,000	25,000
Gain on Avon scheme - settlement of old admission agreement	-	(814,000)
Loss on Avon scheme - liabilities transferring to new admission agreement	-	468,000
Gain on Worcestershire Pension scheme - settlement of old admission agreement	-	(395,000)
Remeasurement of Worcestershire Pension scheme	-	395,000
Remeasurement of Avon reimbursement asset (note 18)	(34,000)	(481,000)
Administrative expenses	1,000	-
Difference between current service & contributions	26,000	26,000
Pensions reserve charge/(credit) excluding other gains and losses (note 2)	11,000	(776,000)
Pension schemes actuarial gain/(loss) (note 22)	133,000	(386,000)
Remeasurement of Avon reimbursement asset (note 18)	(69,000)	(12,000)
Pensions reserve charge/(credit) including other gains and losses	75,000	(1,174,000)

Notes to the consolidated financial statements

For the year ended 31 March 2019

2 Expenditure (continued)

All allocated costs are apportioned on the basis of full time equivalent staffing requirements of each activity.

	2019 £	2018 £
Other direct costs include:		
Operational lease rentals - other	510,748	555,769
Operating lease rentals - land and buildings	686,875	707,793
Depreciation of fixed assets	268,068	334,859
Auditors remuneration (audit fee Statutory Accounts):		
- Parent company & Group audit fee	36,600	44,944
Legal fees	57,216	106,562
	2019 £	2018 £
Other allocated support costs include:		
Recruitment costs	313,021	247,103
Training costs	364,298	244,844
Transport and Travel costs	182,550	175,289
Rent, rates and utility expenditure	389,329	364,692
Insurance costs	186,262	195,587
Business development expenditure	36,202	48,925
Information systems expenditure	226,482	188,412
Professional fees	608,729	635,314
Administrative expenditure	291,902	228,293
Agency and other staff costs	350,074	123,668
Amortisation of intangible assets	59,519	65,254
Bad debts written (back)/written off	(193,704)	222,919
Depreciation of fixed assets	57,980	84,510
Other costs	233,228	193,750
	3,105,872	3,018,560

3 Staff numbers, costs, trustee remuneration, and the cost of key management personnel

Number of employees - Group & Trust

The average monthly number of employees during the year was:

	2019 Actual	2019 FTE	2018 Actual	2018 FTE
Management	26	25	18	17
Administration	121	94	120	99
Service delivery	1,646	1,344	1,690	1,364
Bank staff	503	*	532	*
	2,296	1,463	2,360	1,480

The Trust operates a pool of bank staff who operate under variable hours contracts. The costs of these bank staff amounted to £2,528,944 (2018: £2,183,483), however the nature of the contracts do not allow the average number of FTE's to be determined accurately. The average number of these employees available to Brandon Trust during the year is shown above.

Notes to the consolidated financial statements

For the year ended 31 March 2019

3 Staff numbers, costs, trustee remuneration, and the cost of key management personnel (continued)

Employment costs - Group & Trust

	2019 £	2018 £
Wages and salaries	36,724,120	35,742,521
Social security costs	2,756,722	2,683,624
Other pension costs	1,476,691	1,364,748
Provision for holiday pay	-	(382,500)
Staff costs (note 2)	40,957,533	39,408,393

The defined benefit pension adjustments represent the adjustment to account for the defined benefit pension schemes under FRS 102, and comprise the figures shown in the pension reserve charges table in note 2, excluding the net interest. The total defined contribution pension costs included above are £599,870 (2018: £487,361) and the total defined benefit pension costs are £876,821 (2018: £877,387).

In addition to the above, cost to the Trust of staff not directly employed by the Trust amounted to £3,204,325 (2018: £2,015,804).

The number of employees who received benefits (excluding employer pension costs) in the following ranges were:

Consolidated	2019 Number	2018 Number
£100,001 - £110,000	1	-
£90,001 - £100,000	1	-
£80,001 - £90,000	-	1
£60,001 - £70,000	1	-

Pension costs are allocated to activities in proportion to the related staffing costs received. Included within the employment costs above are redundancy and termination payments totalling £10,600 (2018: £13,681), together with an ex gratia payments of £30,300 (2018: Nil). These payments are recognised as soon as the liability to the trust crystallises under the terms of the agreement with the employee. There are no liabilities that have not been recognised at the balance sheet date (2018: Nil).

The Directors were not paid nor received any other benefits from employment with the trust or its subsidiary during the year (2018: Nil). 3 Directors were reimbursed with travel expenses during the year amounting to £1,659 (2018: 5 Directors, £2,221). The other Directors received no travel expenses during the year.

The key management personnel of the Group and the Trust, comprise the Trustees, the Chief Executive Officer of the Trust and the Executive Leadership Team (as set out in the reference and administrative information section of this report). The total employee benefits of these key personnel were: £603,641 (2018: £482,077).

4 Taxation

The Brandon Trust is a registered charity and as such is exempt from taxation of its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

No tax charge has arisen in the year.

Notes to the consolidated financial statements

For the year ended 31 March 2019

5 Intangible Assets

Consolidated and Trust	Computer Software	Total
Cost or Valuation	£	£
At 1 April 2018	420,110	420,110
Additions	45,572	45,572
At 31 March 2019	<u>465,682</u>	<u>465,682</u>
Amortisation and Impairment		
At 1 April 2018	334,818	334,818
Charge for the year	59,519	59,519
At 31 March 2019	<u>394,337</u>	<u>394,337</u>
Net book value		
At 31 March 2019	<u>71,345</u>	<u>71,345</u>
At 31 March 2018	85,292	85,292

Amortisation costs are charged to other allocated costs (note 2).

6 Tangible fixed assets

Consolidated	Freehold Land & Buildings	Property Refurbishment	Fixtures, Fittings & Furniture	Computer Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 1 April 2018	5,086,647	1,164,556	811,526	546,292	196,410	7,805,431
Additions	-	24,776	58,076	-	24,054	106,906
Disposals	-	(30,569)	-	-	-	(30,569)
At 31 March 2019	5,086,647	1,158,763	869,602	546,292	220,464	7,881,768
Depreciation and Impairment Provisions						
At 1 April 2018	928,264	779,964	781,679	478,177	179,204	3,147,288
Charge for the year	84,800	148,381	26,014	56,273	10,580	326,048
On disposals	-	(23,437)	-	-	-	(23,437)
At 31 March 2019	1,013,064	904,908	807,693	534,450	189,784	3,449,899
Net book value						
At 31 March 2019	4,073,583	253,855	61,909	11,842	30,680	4,431,869
At 31 March 2018	4,158,383	384,592	29,847	68,115	17,206	4,658,143
Trust only	Freehold Land & Buildings	Property Refurbishment	Fixtures, Fittings & Furniture	Computer Equipment	Motor Vehicles	Total
						1,248,110
Cost	£	£	£	£	£	£
At 1 April 2018	3,926,647	1,164,556	811,526	546,292	196,410	6,645,431
Additions	-	24,776	58,076	-	24,054	106,906
Disposals	-	(30,569)	-	-	-	(30,569)
At 31 March 2019	3,926,647	1,158,763	869,602	546,292	220,464	6,721,768
Depreciation and Impairment Provisions						
At 1 April 2018	824,641	779,964	781,679	478,177	179,204	3,043,665
Charge for the year	50,259	148,381	26,014	56,273	10,580	291,507
On disposals	-	(23,437)	-	-	-	(23,437)
At 31 March 2019	874,900	904,908	807,693	534,450	189,784	3,311,735
Net book value						
At 31 March 2019	3,051,747	253,855	61,909	11,842	30,680	3,410,033
At 31 March 2018	3,102,006	384,592	29,847	68,115	17,206	3,601,766

Notes to the consolidated financial statements

For the year ended 31 March 2019

6 Tangible fixed assets (continued)

The Trust retains fixed and variable equity interests in properties sold to a housing partner. In prior years these were shown separately as equity interests, but have been incorporated within freehold properties during the year, as the Trust believes this more accurately reflects their classification.

The net book value of Land and building, includes the value of land as follows: Consolidated £1,420,000 (2018:£1,420,000), Trust £1,015,000 (2018:£1,015,000).

7 Investments

Consolidated and Trust	2019 £	2018 £
Fair Value	Managed Funds	Managed Funds
At 1 April	1,564,901	1,484,542
Additions	1,500,000	-
Revaluation	246,110	80,359
At 31 March	<u>3,311,011</u>	<u>1,564,901</u>

Investments comprise units in charity specific managed funds. Managed funds are initially recorded at cost and are subsequently revalued to fair value at the balance sheet date. The historic cost of investments is £2,700,000 (2018: £1,200,000).

8 Investment in Subsidiary Undertaking

On 20 April 2011, the Brandon Trust acquired control of Odyssey Care Ltd, a Community Benefit Society (24872R), by virtue of its ability to appoint membership of the Society's committee of management. Odyssey Care Ltd is a not for profit Learning Disability provider based in London. No payment was made by the trust to acquire Odyssey Care Ltd. The registered office of Odyssey Care Ltd is the same as that of the Brandon Trust.

On 1 November 2012 the majority of the assets and liabilities (with the exception of Croydon Registered care properties) were transferred to the Brandon Trust and became the East operating area.

Notes to the consolidated financial statements

For the year ended 31 March 2019

8 Investment in Subsidiary Undertaking (continued)

The results can be found within the financial statements of Odyssey Care Ltd, these are summarised below:

Statement of Financial Activities	2019 £	2018 £
Total Incoming Resources	-	-
Total Resources expended	(34,541)	(34,541)
Net expenditure before recognised gains and losses	(34,541)	(34,541)
Other gains/(losses)	-	-
Net expenditure for the year	(34,541)	(34,541)
Summary Balance Sheet	2019 £	2018 £
Total Assets	1,021,836	1,056,377
Total Liabilities	-	-
Net Funds	1,021,836	1,056,377
Total expenditure comprise restricted expenditure as follows:		
	2019 £	2018 £
Depreciation charge	34,541	34,541
Odyssey Care Ltd - expenditure on NHS Property Services Ltd Fund	34,541	34,541
Consolidated Loss on NHS Property Services Ltd Fund (note 12)	34,541	34,541
In previous years the Trust and Subsidiary received monies from NHS Property Services to fund the purchase of freehold properties. As the Proceeds are payable only in the event that the Trust and subsidiary sell the properties, and in this event can be controlled, the liability is recognised as a contingent liability and recognised as a loss when it crystallises. The Trust has recognised the original monies received as restricted funds.		
	2019 £	2018 £
Investment at deemed cost less impairment	1,125,459	1,125,459

Notes to the consolidated financial statements

For the year ended 31 March 2019

9 Debtors

	2019 £	2018 £
Consolidated and Trust		
Debtors due within one year		
Trade debtors	3,439,440	3,404,156
Other debtors	67,837	68,379
Prepayments	512,882	430,844
Accrued income	3,073,363	3,132,112
	<u>7,093,522</u>	<u>7,035,491</u>
Debtors due after more than one year		
Pension reimbursement (note 18)	<u>596,000</u>	<u>493,000</u>

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Consolidated and Trust		
Trade creditors	751,792	1,042,041
Taxes and social security costs	707,801	743,401
Accruals	2,211,516	2,301,178
Deferred income	410,066	379,352
	<u>4,081,175</u>	<u>4,465,972</u>

Deferred income primarily results from the timing of invoicing Local Authorities. Most require invoicing on a rolling four weekly cycle and as a result income may be deferred at the year end.

Movements in deferred income comprise:	2019 £	2018 £
Balance at 1 April	379,352	190,642
Released during the year	(285,188)	(87,592)
Income deferred during the year	<u>315,902</u>	<u>276,302</u>
Balance at 31 March	<u>410,066</u>	<u>379,352</u>

11 Financial Instruments

	2019 £	2018 £
Consolidated and Trust		
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors, other debtors, accrued income and cash at bank and in hand	12,309,433	12,274,146
Debt Instruments measure at fair value		
Investments	<u>3,311,011</u>	<u>1,564,901</u>
Total	<u>15,620,444</u>	<u>13,839,047</u>
Financial liabilities		
Measured at amortised cost		
Trade creditors and accruals	<u>(2,963,308)</u>	<u>(3,343,219)</u>
Total	<u>(2,963,308)</u>	<u>(3,343,219)</u>

Notes to the consolidated financial statements

For the year ended 31 March 2019

12 Restricted Funds

Consolidated	Balance 1 April 2018 £	Income £	Expenditure / Transfers £	Balance 31 March 2019 £
NHS Property Services Ltd - restricted other	502,500	-	-	502,500
NHS Property Services Ltd - restricted revaluation	1,056,377	-	(34,541)	1,021,836
Employment projects Cornwall	3,141	-	(3,141)	-
Innovation Grant - Assistive Technology	787	-	-	787
Capital Grant	-	14,652	-	14,652
Donation - Work, Learning and Leisure	188,062	21,681	(41,941)	167,802
Donation - Accommodation with Care Services	3,171	6,678	(5,025)	4,824
Donation - Supported Living	27,992	6,198	(10,983)	23,207
Donations - other	84,251	31,703	(46,196)	69,758
Donations - Dream Fund	98,573	27,087	(54,633)	71,027
	<u>1,964,854</u>	<u>107,999</u>	<u>(196,460)</u>	<u>1,876,393</u>

Year ended 31 March 2018

Consolidated	Balance 1 April 2017 £	Income £	Expenditure / Transfers £	Balance 31 March 2018 £
NHS Property Services Ltd - restricted other	502,500	-	-	502,500
NHS Property Services Ltd - restricted revaluation	1,090,918	-	(34,541)	1,056,377
Employment projects Cornwall	3,141	-	-	3,141
Innovation Grant - Assistive Technology	787	-	-	787
Capital Grant	200,000	20,000	(220,000)	-
Donation - Work, Learning and Leisure	204,136	39,502	(55,630)	188,008
Donation - Accommodation with Care Services	14,862	3,188	(11,961)	6,089
Donation - Supported Living	24,280	3,061	(3,428)	23,913
Donations - other	79,639	32,598	(26,771)	85,466
Donations - Dream Fund	87,622	26,526	(15,575)	98,573
	<u>2,207,885</u>	<u>124,875</u>	<u>(367,906)</u>	<u>1,964,854</u>

The employment project is a specific employment project originally funded by the European Social Fund, and this year by Cornwall Job Outcomes. The remaining funds have been allocated for expenditure on employment related projects.

The Innovation Grant was for use on a specific assistive technology project at Clifton Park Family Assessment Centre. The project finished with an underspend, with the Trust intending to spend in the spirit of the original grant.

Donations are from various sources, often bequests, to be used for specific purposes by specific elements of the Trust.

The capital grant represents an extension of the prior year capital grant in relation to improvement works on a particular property.

The Dream Fund raises money for the purpose of enhancing the lives of people that we support.

The NHS Property Services fund represents monies previously received from NHS Property Services Ltd to fund the purchase of freehold properties. The proceeds are payable in the event that the Trust and subsidiary sells the properties and as such the funds received have been treated as restricted. The Subsidiary investment reserve represents the equivalent restricted income in the Subsidiary.

Notes to the consolidated financial statements

For the year ended 31 March 2019

13 Unrestricted funds

Consolidated and Trust	Revaluation Reserve £	Designated Reserve £	General Reserve £	Total Excluding Pension Reserve £	Pension Reserve £	Total Including Pension Reserve £
Balance at 1 April 2018	1,941,071	18,198	10,623,231	12,582,500	(151,000)	12,431,500
Surplus for the year before transfers	-	(405)	2,096,877	2,096,472	(75,000)	2,021,472
Balance at 31 March 2019	1,941,071	17,793	12,720,108	14,678,972	(226,000)	14,452,972

During the year designated funds had income of £4,123 (2018: £6,000) and costs of £4,528 (2018: £5,111). The balance of designated funds at 31 March 2019, relates to an Employment Strategy project.

Year ending 31 March 2018

Consolidated and Trust	Revaluation Reserve £	Designated Reserve £	General Reserve £	Total Excluding Pension Reserve £	Pension Reserve £	Total Including Pension Reserve £
Balance at 1 April 2017	1,941,071	17,309	7,926,331	9,884,711	(1,325,000)	8,559,711
Deficit for the year before transfers	-	889	2,476,900	2,477,789	1,174,000	3,651,789
Transferred between reserves on sale of properties	-	-	220,000	220,000	-	220,000
Balance at 31 March 2018	1,941,071	18,198	10,623,231	12,582,500	(151,000)	12,431,500

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Pension Reserve £	Total Funds £
Consolidated				
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	71,345	-	-	71,345
Tangible fixed assets	2,907,533	1,524,336	-	4,431,869
Investments	3,311,011	-	-	3,311,011
Current assets	12,470,258	352,057	596,000	13,418,315
Current liabilities	(4,081,175)	-	-	(4,081,175)
Long Term liabilities	-	-	(822,000)	(822,000)
Total Net Assets	14,678,972	1,876,393	(226,000)	16,329,365
Year ended 31 March 2018				
Consolidated				
Fund balances at 31 March 2018 are represented by:				
Intangible fixed assets	85,292	-	-	85,292
Tangible fixed assets	3,099,266	1,558,877	-	4,658,143
Investments	1,564,901	-	-	1,564,901
Current assets	12,299,013	405,977	493,000	13,197,990
Current liabilities	(4,465,972)	-	-	(4,465,972)
Long Term liabilities	-	-	(644,000)	(644,000)
Total Net Assets	12,582,500	1,964,854	(151,000)	14,396,354

15 Reconciliation of net income and expenditure to net cash inflow/(outflow) from operating activities

	Group 2019 £	Group 2018 £
Net income	1,997,011	3,230,758
Net (gain) on investments	(246,110)	(80,359)
FRS102 Pension charge/(credit)	11,000	(678,000)
Depreciation of tangible assets	326,048	334,859
Amortisation of intangible assets	59,519	65,254
Investment income	(28,023)	(16,208)
Loss on disposal of fixed assets and assets held for resale	4,826	1,792
Decrease/(Increase) in debtors	(58,031)	(1,804,899)
(Decrease)/Increase in creditors within one year	(384,797)	487,108
(Decrease) in provisions for liabilities within one year	-	(382,500)
Net cash inflow from operating activities	1,681,443	1,157,805

Notes to the consolidated financial statements

For the year ended 31 March 2019

16 Analysis of cash and cash equivalents

	31 March 2019 £	31 March 2018 £
Consolidated and Trust		
Net cash:		
Cash at bank and in hand	<u>5,728,793</u>	<u>5,669,499</u>

17 Analysis of changes in net debt

	1 April 2018	Cash flows	31 March 2019
Consolidated and Trust			
Cash	<u>5,669,499</u>	<u>59,294</u>	<u>5,728,793</u>

18 Retirement benefits

The Group participates in a number of pension schemes. The total pension operating cost for the Group was £1,476,691 (2018: £1,364,748). This figure includes £251,303 (2018: £183,974) of outstanding contributions at the balance sheet date.

a) Defined contributions scheme

- The Trust operates a defined contribution ("money purchase") pension scheme with Aegon. The contributions relating to each member (less investment and administrative expenses) are invested until retirement when the value of the member's accumulated investment account is available to purchase a pension under an annuity contract or take a cash option within HMRC limits. The assets of the scheme are held separately from those of the trust in an independently administered fund. The pension costs charge which represents contributions payable by the Group to these schemes amounted to £357,397 (2018: £375,882).
- The company commenced pensions auto-enrolment on 1 September 2013 via the National Employment Savings Trust (NEST) defined contribution pension scheme. The contribution rate for the employer is initially set at 1%, and increased to 2% during the year. Contributions for the year were: £242,474 (2018: £111,479).

b) Defined benefit schemes

- The Trust contributes to the NHS pension scheme which is a final salary scheme. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. The next valuation will be at 31 March 2020 and this will set contribution rates from 1 April 2023. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. Brandon has no liability for other employers obligations to the multi-employer scheme. As the scheme operates on a pay as you go basis there is no liability to recognise in respect of past service deficits.

The pension cost charge represents contributions payable by the fund net of recharges and amounted to £631,720 (2018: £668,946) (£677,489 actual contributions net of £45,769 from the Department of Health Funding).

- The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, the Avon Fund, which is administered by Bath and North East Somerset Council. The Trust's involvement in the scheme commenced on 1 September 2001. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS102 is required. The amounts charged to the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of the staff costs. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The contributions payable by the group to the fund amounted to £34,960 (2018: £36,101). For actuarial assumptions and composition of the scheme see page 53.
- The Trust contributes to a pension scheme providing benefits based on final pensionable pay, which is administered by Gloucestershire County Council. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS102 is required. The amounts charged to the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The contributions payable by the group to the fund amounted to £9,719 (2018: £13,503). For actuarial assumptions and composition of the scheme see page 55.
- The Trust and formerly Odyssey Care Ltd makes contributions to the London Borough of Southwark Pension Scheme. The employers contributions are however set in relation to the current service period only, consequently the contributions have been accounted for as if it were a defined contribution scheme. The pension charge payable to the fund from the Trust amounted to £36,787 (2018: £40,515).

Notes to the consolidated financial statements

For the year ended 31 March 2019

18 Retirement benefits (continued)

b) Defined benefit Schemes (continued)

v) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, which is administered by Worcestershire County Council. The Trust's involvement in the scheme commenced on 1 September 2014. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS102 is required. The amounts charged to the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The contributions payable by the group to the fund amounted to £nil (2018: £10,336). For actuarial assumptions and composition of the scheme see page 56.

The Trust was indemnified under a contract with the County of Herefordshire against pension liabilities arising at the end of the contract, which is the scheme administered by Worcestershire County Council. The Trust gave notice to Herefordshire on 16 November 2016 of its intention to terminate services which were completed during the year ended 31 March 2018.

vi) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, which is administered by Warwickshire County Council. The Trust's involvement in the scheme commenced on 1 September 2015. The pension liability remains attributable to Warwickshire County Council under the terms of the contract and as such the employees contributions are set in relation to the current service period only. As a result the contributions have been accounted for as if it were a defined contribution scheme. The pension charge payable to the fund from the Trust amounted to £103,535 (2018: £107,986).

Notes to the consolidated financial statements

For the year ended 31 March 2019

18 Retirement benefits (continued)

Composition of the Avon Pension Fund Scheme

Consolidated and Trust

The Principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	2019	2018
Future salary increases	3.7%	3.6%
Future pension increases	2.3%	2.2%
Discount rate	2.5%	2.7%
Inflation assumption - CPI	2.2%	2.1%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2019	2018
male (female) future pensioner aged 65	26.3 (29.0) years	26.2 (28.8) years
male (female) current pensioner aged 65	23.7 (26.2) years	23.6 (26.1) years

The Trust ended its commercial contract with North Somerset Council on 30 September 2017 and entered into a new contract with them from 1 October 2017. Under the terms of the contract a new admission agreement was entered into from the start of this new contract for relevant staff. The amounts recognised in the financial statements in respect of both admission agreements is shown below:

Amounts recognised in the statement of financial activities of the defined benefit schemes is as follows:

Old admission agreement

	2019 £000s	2018 £000s
Current Service Cost	-	(26)
Net interest cost	-	(15)
Pension cost recognised	-	(41)
	2019	2018
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	-	6,209
Current service cost	-	26
Interest on pensions liabilities	-	78
Member contributions	-	4
Remeasurements-(Gain) on assumptions	-	(290)
Settlements	-	(5,947)
Benefits/transfers paid	-	(80)
Benefit obligation at end of period	-	-
	2019 £000s	2018 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	-	5,050
Interest on plan assets	-	63
Remeasurements	-	78
Settlements	-	(5,133)
Employer contributions	-	18
Member contributions	-	4
Benefits/transfers paid	-	(80)
Fair value of plan assets at end of period	-	-

Notes to the consolidated financial statements

For the year ended 31 March 2019

18 Retirement benefits (continued)

Composition of the Avon Pension Fund Scheme (continued)

	2019 £000s	2018 £000s
Actual Return on Plan Assets	-	153

Any potential net deficit on this scheme that may exist at the point of the service delivery contract ending that is in excess of £1.3m, is contractually passed back to the commissioners, North Somerset CC, and is not a liability of the Trust.

New admission agreement

	2019 £000s	2018 £000s
Current Service Cost	(52)	(25)
Net interest cost	(14)	(6)
Administration expenses	(1)	-
Pension cost recognised	(67)	(31)

	2019 £000s	2018 £000s
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	1,458	-
Current service cost	52	25
Interest on pensions liabilities	41	19
Member contributions	9	5
Remeasurements -Experience (gain)	-	(12)
-Loss on assumptions	105	-
Business combinations	-	1,421
Benefit obligation at end of period	1,665	1,458

	2019 £000s	2018 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	965	-
Interest on plan assets	27	13
Remeasurements	36	(24)
Admin expenses	(1)	-
Business combinations	-	953
Employer contributions	33	18
Member contributions	9	5
Fair value of plan assets at end of period	1,069	965

	2019 £000s	2018 £000s
Actual Return on Plan Assets	62	(11)

Notes to the consolidated financial statements

For the year ended 31 March 2019

18 Retirement benefits (continued)

Composition of the Avon Pension Fund Scheme (continued)

The analysis of the scheme assets at the reporting date were as follows:

	2019 %	2018 %
Equities	40.4	40.9
Government Bonds	12.1	10.8
Other Bonds	11.7	1.8
Property	9.7	8.9
Cash/Liquidity	1.7	3.6
Other	24.4	34.0
	<u>100.0</u>	<u>100.0</u>

Estimated Employer's contributions for the year to 31 March 2020 will be approximately £35,000.

North Somerset Council has waived its right to recover a termination contribution if one were to arise at the end of the contract.

Composition of the Gloucestershire County Council Scheme

Consolidated and Trust

The Principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	2019	2018
Salary increase rate	2.8%	2.7%
Pension/inflation increase rate	2.5%	2.4%
Discount rate	2.4%	2.7%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2019	2018
male (female) current pensioner aged 65	22.4 (24.6) years	22.4 (24.6) years
male (female) future pensioner aged 65	24.0 (26.4) years	24.0 (26.4) years

Amounts recognised in the statement of financial activities of the defined benefit schemes is as follows:

	2019 £000s	2018 £000s
Current Service Cost	(23)	(25)
Net interest cost	(4)	(4)
Pension cost recognised	<u>(27)</u>	<u>(29)</u>
	2019 £000s	2018 £000s
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	832	802
Current service cost	17	25
Interest on pensions liabilities	23	21
Member contributions	2	3
Remeasurement loss/(gain) on assumptions	84	(19)
Benefit obligation at end of period	<u>958</u>	<u>832</u>

Notes to the consolidated financial statements

For the year ended 31 March 2019

18 Retirement benefits (continued)

Composition of the Gloucestershire County Council Scheme (continued)

	2019 £000s	2018 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	681	636
Interest income on plan assets	19	17
Remeasurements - return on assets excluding amounts shown in net interest	20	11
Employer contributions	10	14
Member contributions	2	3
Fair value of plan assets at end of period	<u>732</u>	<u>681</u>

	2019 £000s	2018 £000s
Actual Return on Plan Assets	<u>38</u>	<u>28</u>

The analysis of the scheme assets at the reporting date were as follows:

	2019 %	2018 %
Equities	67.0	67.0
Government Bonds	23.0	23.0
Property	8.0	8.0
Cash/Liquidity	<u>2.0</u>	<u>2.0</u>
	<u>100.0</u>	<u>100.0</u>

Estimated Employer's contributions for the year to 31 March 2020 will be approximately £10,000.

Under the terms of the contract with Gloucestershire council, the Trust is liable for any deficit in the event of termination of the contract.

Composition of the Worcestershire county Council Scheme

Consolidated and Trust

The Principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	2019 £000s	2018 £000s
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	-	1,444
Transfer of obligation to Herefordshire County Council	-	(1,444)
Benefit obligation at end of period	<u>-</u>	<u>-</u>

	2019 £000s	2018 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	-	1,049
Transfer of plan assets to Herefordshire County Council	-	(1,049)
Fair value of plan assets at end of period	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements

For the year ended 31 March 2019

19 Financial commitments

At 31 March 2019 the Group total future minimum lease payments under non-cancellable operating leases was as follows:

Consolidated and Trust	Land and buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Expiry date:				
Within one year	364,650	370,035	188,034	374,923
Between two and five years	607,016	743,521	155,295	173,580
In over five years	-	34,079	-	-
	<u>971,666</u>	<u>1,147,635</u>	<u>343,329</u>	<u>548,503</u>

20 Capital commitments

There were no capital commitments as at 31 March 2019 (2018: Nil).

21 Related Party Transactions

No related party transactions took place during the year (2018: £Nil).

Notes to the consolidated financial statements

For the year ended 31 March 2019

22 Contingent Liabilities

Properties

Proceeds from the sale of certain properties held by Odyssey Care Limited and the Trust amounting to £1,524,336 (2018: £1,558,877) are repayable to NHS Property Services Limited upon the sale of these tangible fixed assets. This is secured by legal charge over the properties concerned. The carrying value of the underlying properties at 31 March 2019 was £2,825,267 (2018: £2,911,072).

Employee Night shifts

The Trust continues to closely monitor an Employment Appeal Tribunal case regarding the issue of whether an employee performing a sleeping night shift falls within the national living wage, rather than a fixed allowance for the whole night, and the associated taxes thereon. Since April 2016, the Trust has operated a policy of topping up the pay of staff on these shifts to ensure that individual hourly rates do not fall below the national living wage. There is therefore a potential liability, which could arise prior to this date from potential employee claims and enforcement action. The court of appeal issued its decision in the Royal Mencap Society and Tomlinson Blake Ruling appeal on 13 July 2018 and rejected the Employment Appeal Tribunal's previous decision. There has been a subsequent appeal regarding this decision, and there are inherent complexities in valuing any potential liability. The Trust's initial estimate of any potential liability is approximately £800,000, which includes estimates of liabilities inherited under TUPE (requiring information from previous employers), and extrapolations of sample data. Given the appeal process and uncertainties the Trustees consider this matter to still remain a contingent liability. Professional advice has been obtained regarding this issue and the matter is kept under regular review.

Guaranteed Minimum Pensions (GMPs)

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

The McCloud judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sergeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated. The Government applied to the Supreme Court for permission to appeal this judgement and in June 2019 this permission was denied.

As a result of this the Government will be required to take remedial action. At the present time any additional liability as a result of the McCloud judgement has not been included within the FRS102 pension liability because the estimate of this impact is unknown.

Notes to the consolidated financial statements

For the year ended 31 March 2019

23 Prior year primary statement comparatives by fund

	Notes	Unrestricted Funds	Unrestricted Pensions Reserve	Restricted Funds	Total Funds 2018
		£	£	£	£
Income					
Donations and Legacies		19,774	-	124,875	144,649
Income from charitable activities:					
Fees for Accommodation with Care Services		7,879,007	-	-	7,879,007
Fees for Work, Learning and Leisure		5,393,283	-	-	5,393,283
Fees for Supported Living Services		36,686,148	-	-	36,686,148
Income from other trading activities:					
Charity shop income		248,157	-	-	248,157
Investment income		16,208	-	-	16,208
Other income		42,379	-	-	42,379
Total income		50,284,956	-	124,875	50,409,831
Expenditure					
Expenditure on raising funds					
Charity shop expenditure		298,383	-	-	298,383
Expenditure on charitable activities					
Accommodation with care Services Costs		7,403,786	(107,521)	34,541	7,330,806
Work, Learning & Leisure Costs		5,009,719	(70,776)	-	4,938,943
Fees for Supported Living Services		35,175,638	(597,703)	-	34,577,935
Other expenditure in the deployment of grants and donations received		-	-	113,365	113,365
Total expenditure	2	47,887,526	(776,000)	147,906	47,259,432
Net gain on investments	7	80,359	-	-	80,359
Net expenditure		2,477,789	776,000	(23,031)	3,230,758
Transfer between funds		220,000	-	(220,000)	-
Net expenditure before other gains and losses		2,697,789	776,000	(243,031)	3,230,758
Other Recognised Losses					
Pension schemes actuarial (loss) / gain	18	-	386,000	-	386,000
Remeasurement of reimbursement asset	18	-	12,000	-	12,000
Net movement in funds		2,697,789	1,174,000	(243,031)	3,628,758
Balances brought forward at 1 April 2017		9,884,711	(1,325,000)	2,207,885	10,767,596
Balances carried forward at 31 March 2018	12/13	12,582,500	(151,000)	1,964,854	14,396,354

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The (deficit) for the year for Companies Act purposes comprises the net (expenditure) for the year and was £3,230,758.

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