

SOCIAL CARE IN ACTION

CONSOLIDATED
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2019

A COMPANY LIMITED BY GUARANTEE

COMPANY REGISTRATION NUMBER: 04526806

REGISTERED CHARITY NUMBER: 1096903

SOCIAL CARE IN ACTION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

CONTENTS	Pages
Report of the Trustees Incorporating the Strategic Report	1 - 5
Independent Auditor's Report	6 - 7
Consolidated Statement of Financial Activities	8
Consolidated and Parent Balance Sheet	9
Consolidated Statement of Cash Flows	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12 - 27

SOCIAL CARE IN ACTION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019

The trustees are pleased to present their annual report and audited consolidated Financial Statements of the charitable company and its subsidiaries for the year ended 31 March 2019, which are also prepared to meet the requirements for a Directors' Report and Financial Statements for Companies Act purposes.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name Social Care in Action	Registered Office Amplevine House Dukes Road Southampton SO14 0ST
Charity Registration Number 1096903	
Company Registration Number 04526806	

DIRECTORS AND TRUSTEES

The directors of the charitable company, for the purposes of company law, are also its trustees for the purpose of charity law. The trustees who served during the year and since the year end are as follows:

L Judd	Chair		
G Dibben	Secretary		
D Chamberlain			
E Hickman			
W Hughes		Resigned	March 19
D Lodge			
M Patel			
M Venables			
E Keogh			
R Dickenson	Treasurer		

GROUP REGISTERED SOCIETIES AND CHARITABLE COMPANIES

SCA Care	Registered Society No: 27461R
SCA Trafalgar Dental Services	Registered Society No: 29975R
SCA Transport Services	Registered Society No: 29035R
SCA Fenwick 2 Limited	Registered Society No: 30336R
Options Wellbeing Trust	Charitable Company No: 1100782
Southampton Healthy Living	Company No: 10627689

SENIOR MANAGEMENT TEAM

R Marriott	Chief Executive	Resigned	August 18
D Freshwater	Chief Executive	Appointed	August 18
J Mills	Head of Finance		
K McCarthy	Head of Human Resources		
F Hardie	Head of Business Development		
M Wrycraft	Head of Facilities		
N Keeley	Options Wellbeing Trust Operations Director		
W Lee	Head of Health & Wellbeing		
R Rossiter	Director of Integrated Services		

OUR ADVISORS

Auditor Saffery Champness LLP Midland House 2 Poole Road Bournemouth BH2 5QY	Bankers Lloyds Bank 30 Commercial Road Totton SO40 3TH
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REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

STRATEGIC REPORT

The charitable company presents its Report and Strategic Report.

AIMS AND OBJECTIVES

The charitable company's aims and objectives are:

- the advancement of health and the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage for the public benefit in particular, but not limited to the practice and provision of health, education, care or community services; and
- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Public Benefit Statement

Our main activities and who we try to benefit are described above.

Our charitable activities focus on care in the community, transport, dentistry, training, counselling services and operating a wellbeing centre.

All of our activities are undertaken to further our charitable purposes for the public benefit. In shaping our objectives and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit including the guidance 'Public Benefit: Running a Charity (PB2)'.

ACHIEVEMENTS AND PERFORMANCE

2018-19 has been a particularly busy and challenging year for Social Care in Action. The economic, social and public policy environment within which the group operates, continues to be difficult, but Social Care in Action (SCiA) is proud to continue to provide high-quality services to the people we support. We work with our funders on an ongoing basis, providing ideas and solutions in a very demanding funding market fully appreciating the financial constraints they are under.

The financial year saw our behaviour change service, Southampton Healthy Living (SHL) come to an early end when one of our subcontractors commissioned to provide the service indicated their intention to withdraw from the service. This put SHL in a position where it was unable to give assurances that it could meet its targets or attract a replacement subcontractor, despite extensive efforts, SHL and Southampton City Council mutually agreed to end the service from 31st March.

The greatest challenge this year has undoubtedly been recruiting staff in our two key areas of work – dentistry and care. This has resulted in both SCA Trafalgar Dental Services and SCA Care reporting significant deficits for the last financial year.

With restricted funds available, SCiA's main aim is to continue to work in partnership with Southampton City Council, Hampshire County Council, the NHS as well as other key stakeholders on a number of significant contracts.

After rigorous assessment, SCA Care was awarded 'good' by the Care Quality Commission, Home Care provided 53,732 support calls to individuals, and 88,229 support visits were carried out across our Extra Care service sites,

enabling people we support to remain living in their own homes and maintain their independence for longer. As an organisation, we are constantly reviewing our service models to improve choice and outcomes for vulnerable older people and disabled people who are at risk of dependence without such provision and now offer an enhanced service through the creation of our Learning Disabilities and Mental Health service. It has enabled SCA Care to undertake more complex and larger packages of support.

The year has also demonstrated the value of working in partnership with other organisations by successfully securing the Southampton Living Well contract following a competitive tender process. This Southampton City Council commissioned service is run as a consortium by SCiA in partnership with Age UK Southampton, we have been tasked with transforming the way traditional day services are offered to older people living in the city. Together, we are working to provide activities and outings to alleviate isolation, reconnect individuals with their community and support individuals earlier in their ageing process.

The value of being a diverse group of enterprises working towards a shared mission is evident, taking SLW as an example, with SCA Transport supporting service delivery by providing customers with door-to-door transport to day opportunities. During the year, SCA Transport has provided 2,244 individual passenger services across its six contracts, despite the fact that consultation is ongoing regarding Section 19/20 licencing arrangements, as laid out by the central government, which means a number of transport activities have been put on hold until the outcome is known.

Despite this, SCA Transport still achieved budgeted targets and across many areas of its portfolio, increased delivery. SCA Trafalgar whilst having a difficult financial year due to the aforementioned recruitment problems, have been working hard to continuously improve the care offered, which is reflected in the excellent patient feedback and satisfaction statistics, with 95% of our patients reporting that they would recommend us to their friends and families. We were delighted to be presented with a certificate at the British Dental Association show for achieving over 12,000 positive reviews on Working Feedback.

In order to support health promotion and awareness, we provide continuous education and advice, with the aim of prevention of dental disease. We offer free oral hygiene/education sessions for children at our Swanage practice and have introduced the Gosport Oral Health Project, an area where there are high levels of poor oral health in children and families.

We support the NHS 111 service across all of our practices ensuring that those patients who are unable to access dental services are able to be seen when they are experiencing dental pain or problems.

Following a year of uncertainty for Options Wellbeing Trust with regard to delivering services on behalf of GamCare, its main commissioner, a new Model of Service delivery has been agreed with Gamble Aware and Options were awarded a three-year contract to deliver a range of support services. This new model focuses on a recovery approach and allows our clients to step up or down the intervention intensity level according to their needs. This has allowed us the opportunity to increase the range of services we are

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW (Continued)

ACHIEVEMENTS AND PERFORMANCE (Continued)

able to offer to problem gamblers and those concerned about them.

In order to deliver the new service, all existing staff have received extensive training. However, we have been challenged by delays in the development of assessment tools for our commissioners to enable assignment of problem gamblers into the correct level of treatment intervention. This has in part led to a lower level of patients accessing the service than the contract requires, and has been exacerbated by a 16% reduction in referrals from GamCare, who are our main referrals source.

Whilst the GamCare work has proved challenging, we are delighted to be able to report that there has been a significant increase in demand for our self-funded Generic Counselling.

The future will continue to be challenging, but SCiA has a good track record as a large not-for-profit organisation and is well placed to work in partnership with others in the voluntary, public and private sectors to deliver services which improve the lives of those we work with.

FINANCIAL REVIEW

These Financial Statements reflect the financial activity of Social Care in Action as a group of social enterprises and individually, whose activities are primarily training, employment enabling and consultancy work. These consolidated Financial Statements for the SCiA group of social enterprises reflect the combined income and expenditure of the businesses, its activities and impacts. The SCiA group of social enterprises incurred a deficit of £587,591 in the year to 31 March 2019 (2018 - deficit of £147,089).

The group decreased its income in the year ended 31 March 2019 with incoming resources of £8,230,449 compared to £8,829,127 in the previous year. Expenditure rose to £9,078,496, compared to £8,976,216 in the previous year.

The group now has a total reserve of £1,126,669 at 31 March 2019 compared to £1,714,260 at 31 March 2018. The trustees are concerned with the deficit incurred for the year but are satisfied at this point with the financial stability of the group.

Principal Funding Sources

The principal funding sources for the individual charitable companies are currently by way of training sales to SCA Care and SCA Trafalgar Dental Services. Social Care in Action was grateful for the grant from Big Society for Contract Readiness. These funds have been invaluable in securing a major contract during the year within the group.

Investment Powers and Policy

The trustees do not consider it prudent, at this stage, to invest income in stocks, shares or bonds for the longer term. The policy for investment is, therefore, to retain funds as cash and place them on bank deposit at the best rate obtainable.

Reserves Policy and Going Concern

It is the policy of the charitable company to aim towards maintaining unrestricted funds, which are the free reserves of the charitable company, at a level where

unrestricted funds will be sufficient to meet its outgoing expenses.

The trustees are considering ways in which additional unrestricted funds could be raised. The level of reserves is part of the charitable company's business planning, budgeting and forecasting process. It takes into account:

- risks associated with each stream of income and expenditure being different from that budgeted;
- planned activity levels; and
- organisational commitments.

It is the trustees intention to review this policy with the aim of holding approximately three months running costs as free reserves over a time period of five years. As at 31 March 2019 that would equate to a maximum of £636,000. The actual free reserves held at that date was £201,482. The trustees recognise that in the immediate future this position will not improve significantly, however taking into account the current length of contracts held they are content that over a period of five years the target is achievable.

The trustees are of the view that the charitable company and group are a going concern.

PLANS FOR FUTURE PERIODS

The Social Care in Action group of social enterprises has many exciting plans and opportunities for the forthcoming year and beyond. These areas, in particular, are:

Recruitment

In early 2019/20, we will be appointing a recruitment manager whose role will be to increase the number of support staff working within SCA Care's front line services, allowing us to grow our Home Care provision.

Learning Disability and Mental Health

Over the next financial year, SCA Care will expand its services in the areas of Learning Disabilities and Mental Health to include those in receipt of a direct payment, and later in the year to individuals who are funded by the Continuing Health Care Service. This will enable us to create and provide more bespoke packages for all individuals who are seeking support, no matter how they are funded.

Southampton Living Well

Our day opportunities is to be officially launched in the summer of 2019. This service will provide an opportunity to increase the number of private customers attending, as well as local authority funded customers.

SCA Transport

During 19/20 SCA Transport will need to consider its fleet management plan, as some of the older vehicles in the fleet are soon to be due for replacement. Considerations will be given not only to ability to transport individuals around the Southampton area but the environmental impact its vehicles will have.

SCA Transport is considering the option to deliver Home to School Transport services again, as well as the delivery of a new service in partnership with Southampton University Hospitals Trust to support individuals to return home from Hospital.

SCA Trafalgar

During this financial year, we plan to increase the range of private services that we are able to offer, ensuring that we are supporting patient choice.

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019 PLANS FOR FUTURE PERIODS (Continued)

We will fully utilise the skills of our dental therapists, which will mean that the dentists have availability to focus on more complex treatments and those patients with higher need.

In addition, we plan to introduce a full dental implant service that we can offer to our patients, and also those patients that are externally referred.

SCA Fenwick 2

SCA Fenwick 2 and League of Friends Fenwick representatives will approach NHS England with regards to the reappraising the existing 100% charge over the property.

A real-time needs analysis and a community consultation to capture the views of local residents will be conducted. The result of this exercise will shape future service provision.

Options Wellbeing Trust

Gamcare is providing a 6% uplift in funding for 2019/2020. Options is mindful that its greatest challenge this year is likely to be ensuring it reaches out to, and provides support for, considerably more people with, or concerned about another's, gambling to meet GamCare's requirement to commit to 690 clients. It is also planned to improve accessibility to services and therefore referral numbers by opening their Southampton site on a Saturday. Capacity will also be further enhanced by reconfiguration of the Southampton office to provide an additional consulting room. The restoration and refurbishment of the Annexe will also enable Options to provide support groups and gambling awareness/education groups this year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is a charitable company limited by guarantee, incorporated on 5 September 2002 and registered as a charity on 8 April 2003. The charitable company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and, under the charitable company's Articles, are known as members of the Board. The directors are reappointed in accordance with the Memorandum and Articles of Association.

Trustee Induction and Training

A programme is employed for the induction of new trustees. This includes visiting the offices, meeting staff and observing how the charitable company operates. It also encompasses a full induction in the charitable company's policies and procedures and involves examining the business plan.

Organisational Structure

Day to day operations and responsibilities are delegated to the Senior Management Team, who are responsible for ensuring the charitable company delivers the services specified, meets key performance targets and stays within the agreed budgets.

Risk Management

The trustees have conducted a review of the major risks to which the charitable company is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charitable company faces. Significant external risks have led to the development of a strategic plan. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The trustees have identified reputational risk, financial risk, IT risk and health and safety risk as being the major risks they are exposed to. To mitigate these the charitable company have controls which include partnership working, upgrading electronic networks and introducing technology to record events as and when they occur. In addition, all staff are provided with handbooks detailing the organisations expectations when they join.

Related Parties

Social Care in Action is a member of the SCiA group of social enterprises. The other members of the group, who are all Registered Societies under the Co-operative and Community Benefit Societies Act 2014, are SCA Care, SCA Transport Services, SCA Trafalgar Dental Services and SCA Fenwick 2 Limited, along with Options Wellbeing Trust a company limited by guarantee and Registered Charity and Southampton Healthy Living a company limited by guarantee.

The charitable companies and registered societies are all operated and managed on a unified basis with Social Care in Action acting as the parent body.

Key Management and Personnel Remuneration

The directors consider the board of directors, who are the charitable company's trustees and the senior management team, comprise the key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis. All directors give their time freely as trustees in the year.

Pay Policy for Senior Staff

The trustees review the remuneration of senior staff periodically on the basis of the performance of the individual concerned and the charitable company and group as a whole.

RESPONSIBILITIES OF TRUSTEES

The trustees (who are also directors of Social Care in Action for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare Financial Statements for each financial year. Under company law the trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these Financial Statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;

REPORT OF THE TRUSTEES (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2019
RESPONSIBILITIES OF TRUSTEES (Continued)**

- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charitable company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the trustees are aware, at the time of approving our Report of the Trustees:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's and group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's and group's auditor is aware of that information.

AUDITOR

A resolution to re-appoint Saffery Champness LLP will be submitted to the annual general meeting.

Approved by the trustees on 24 October 2019 and signed on their behalf by:

.....
L JUDD
CHAIR

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOCIAL CARE IN ACTION

FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Social Care in Action for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charitable Company Balance sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company 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 and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report. We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- the group or parent charitable company has not kept adequate and sufficient accounting records, 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 (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2019****Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 4 - 5, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members and the trustees, 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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed. Any knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Nicholas Fernyhough (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP**

Chartered Accountants

Statutory Auditors

**Midland House
2 Poole Road
Bournemouth
BH2 5QY
October 2019**

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

The Section 408 exemption has been taken and the parent company's own profit and loss account has been omitted from the financial statements

SOCIAL CARE IN ACTION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNTS)**

FOR THE YEAR ENDED 31 MARCH 2019

Consolidated

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME					
Donations and legacies	2	2,843	-	2,843	336
Charitable activities	3	6,659,929	225,831	6,885,760	7,716,160
Investment income	4	142,764	-	142,764	113,481
Community benefit trading		1,188,400	-	1,188,400	983,000
Other Income					
Gain on disposal of fixed assets		10,682	-	10,682	16,150
TOTAL		8,004,618	225,831	8,230,449	8,829,127
EXPENDITURE					
Charitable activities		7,607,425	225,888	7,833,313	7,956,454
Community benefit trading		1,186,167	-	1,186,167	983,916
Costs of fundraising		59,016	-	59,016	35,846
TOTAL	5	8,852,608	225,888	9,078,496	8,976,216
NET GAINS ON INVESTMENT PROPERTY		60,220	-	60,220	-
NET EXPENDITURE FOR THE YEAR	7	(787,770)	(57)	(787,827)	(147,089)
OTHER RECOGNISED GAINS					
Defined benefit pension scheme	25	179,923	-	179,923	-
Gains on revaluation of fixed assets		20,313	-	20,313	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(587,534)	(57)	(587,591)	(147,089)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,706,923	7,337	1,714,260	1,861,349
TOTAL FUNDS CARRIED FORWARD		1,119,389	7,280	1,126,669	1,714,260

The net expenditure for the purposes of the Companies Act 2006 comprises the net expenditure before other recognised gains for the year end of £787,827 (2018: Expenditure £147,089).

Community benefit trading income and expenditure above represents that of discontinued operations. All other activities represent continuing operations.

SOCIAL CARE IN ACTION

CONSOLIDATED AND PARENT BALANCE SHEET

AS AT 31 MARCH 2019

	Note	Consolidated		Charitable Company	
		2019	2018	2019	2018
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	11	1,611,653	1,669,672	39,847	42,188
Investment property	12	190,000	131,520	-	-
Intangible assets	13	20,000	30,000	-	-
Investments	14	-	-	4	4
TOTAL FIXED ASSETS		1,821,653	1,831,192	39,851	42,192
CURRENT ASSETS					
Stock		24,851	19,017	-	-
Debtors	15	1,271,494	1,117,180	163,853	107,972
Cash at bank and in hand		1,459,822	2,085,885	376,558	475,476
TOTAL CURRENT ASSETS		2,756,167	3,222,082	540,411	583,448
LIABILITIES					
Creditors: Amounts falling due within one year	16	(2,699,758)	(2,719,007)	(477,909)	(433,509)
NET CURRENT ASSETS		56,409	503,075	62,502	149,939
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after more than one year	18	(751,393)	(620,007)	(25,195)	(24,708)
NET ASSETS	23	1,126,669	1,714,260	77,158	167,423
GROUP / CHARITABLE COMPANY FUNDS					
Unrestricted Income Funds:	24				
- General funds		825,501	1,487,091	69,878	160,086
- Revaluation reserve		293,888	219,832	-	-
Total Unrestricted Income Funds		1,119,389	1,706,923	69,878	160,086
Restricted income funds	24	7,280	7,337	7,280	7,337
GROUP / CHARITABLE COMPANY FUNDS		1,126,669	1,714,260	77,158	167,423

The trustees have prepared group Financial Statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These Financial Statements constitute the annual Financial Statements required by the Companies Act 2006 and are for circulation to members of the charitable company.

The consolidated Balance Sheet incorporates all the charitable companies and registered societies within the SCiA group. The notes on page 11 to 27 form part of these Financial Statements.

Approved by the trustees on 24 October 2019 and signed on their behalf by:

.....
L JUDD
CHAIR

.....
R DICKENSON
TREASURER

COMPANY REGISTRATION NUMBER: 04526806

SOCIAL CARE IN ACTION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Note	Consolidated	
		2019	2018
		£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in) / provided by operating activities	1	(640,046)	576,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income		3,009	683
Proceeds from sale of property, plant and equipment		10,682	16,150
Purchase of property, plant and equipment		(125,019)	(126,150)
NET CASH USED IN INVESTING ACTIVITIES		(111,328)	(109,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash (out)/inflows due to changes in members' shares in subsidiary societies		(3)	7
Repayments of borrowing		(55,384)	(519,490)
Cash inflows from new borrowing		454,500	-
Repayments of obligations under finance leases		(48,575)	(82,341)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		350,538	(601,824)
Change in cash and cash equivalents in the year		(400,836)	(134,418)
Cash and cash equivalents at the beginning of the year		1,860,658	1,995,076
Cash and cash equivalents at the end of the year	2	1,459,822	1,860,658

SOCIAL CARE IN ACTION

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2019	2018
	£	£
Net expenditure for the year as per the Statement of Financial Activities	(587,591)	(147,089)
Adjustments for:		
Interest income shown in investing activities	(3,009)	(683)
Depreciation charges	205,091	198,114
Amortisation charges	10,000	10,000
Revaluation of fixed assets	(80,533)	-
Pension fund surplus	(179,923)	-
Gain on disposal of fixed assets	(10,682)	(16,150)
(Increase)/Decrease in stock	(5,834)	486
Increase in debtors	(154,314)	(21,514)
Increase in creditors	166,749	553,559
Net cash (used in)/provided by operating activities	(640,046)	576,723

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Consolidated	
	2019	2018
	£	£
Cash at bank and in hand	1,459,822	2,085,885
Bank overdraft	-	(225,227)
Total cash and cash equivalents	1,459,822	1,860,658

SOCIAL CARE IN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

Charity Information

Social Care in Action is a charitable company established under its Memorandum and Articles of Association and registered with the Charity Commission and Companies House in England and Wales.

The principal address is Amplevine House, Dukes Road, Southampton, SO14 0ST.

The charitable company is a public benefit company.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are as follows:

(a) 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 Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Financial Statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts are rounded to the nearest £.

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

The trustees consider that there are uncertainties regarding the operational conditions of SCA Trafalgar Dental Services that impact upon the viability of that organisation, however that has limited effect on the overall position of the group as a going concern. Accordingly the accounts for the group have been prepared on a going concern basis.

(b) Group Financial Statements

The consolidated Financial Statements incorporate the results of Social Care in Action and its related Registered Societies and charitable companies on a line by line basis.

The consolidated entity is referred to as the SCiA group of social enterprises (group).

The Charity has taken advantage of the exemption, under section 408 of the Companies Act 2006, not to publish its own Statement of Financial Activities. The charitable company's total income was £769,927 (2018: £955,468) and its total expenditure was £861,759 (2018: £971,451) resulting in a net deficit of £90,265 (2018: deficit £15,983).

(c) Income

All income is included in the Statement of Financial Activities when the charitable company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are included in full in the Statement of Financial Activities when receivable.
- Income from charitable activities is accounted for when earned.
- Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Investment income is included when receivable.
- Donated services and facilities are included at the value to the charitable company. The value of services provided by volunteers has not been included in these Financial Statements. Volunteers are used to provide driving services, assist in the operation of day centres and as librarians.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, eg floor areas, per capita or estimated usage as set out in Note 5.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.

(e) Goodwill

Goodwill is calculated as the difference between the acquisition cost and the fair value of an asset. Goodwill is written-off as follows:

Totton Practice

over 10 years

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (CONTINUED)

(f) **Tangible Fixed Assets**

Tangible fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses. The costs of additions below £1,000 are not capitalised.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Buses and motor vehicles	2 to 6 years
Office equipment	2 to 7 years
Computer equipment	3 to 4 years
Training equipment	4 years
Furniture, fixtures and fittings	3 to 4 years
Freehold buildings and property	50 years
Property improvements	5 to 15 years
Dental equipment	7 years

One of the related entities, Options Wellbeing Trust, measures freehold property at their fair value and are to be revalued every 5 years.

(g) **Investment Property**

Investment properties are initially measured at cost and subsequently at fair value, with the change recognised in the statement of financial activities.

(h) **Stock**

Stock is valued at the lower of cost or net realisable value, after due regard for obsolete and slowmoving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

(i) **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) **Cash at Bank and in Hand**

Cash at bank and in hand includes 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.

(k) **Creditors and Provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) **Hire Purchase**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight line basis.

(m) **Finance Lease Agreements**

Assets held under finance leases where substantially all of the benefits and risks of ownership accrue to the lessee, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease term or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge for each accounting period.

(n) **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

(o) **Pension Costs**

The related subsidiary, SCA Care, and the related charitable company, Options Wellbeing Trust, both participate in the Hampshire County Council (HCC) pension scheme which is a Defined Benefit Pension Scheme within a multi-employer plan.

HCC have provided details of the deficit relating to each entity. The registered society and the charitable company have entered into an agreement with the multi-employer plan provider that determines how the deficit is to be funded and this has been recognised as a liability in the consolidated Financial Statements.

The charitable company and related entities also operate a defined contribution pension scheme. Payments to the scheme are charged as an expense as they fall due.

(p) **Taxation**

The activities of the charitable company and its related societies and charitable companies, with the exception of SCA Fenwick 2 Limited, are exempt from Corporation Tax on their charitable activities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (CONTINUED)

(q) Fund Accounting

Unrestricted funds consist of the general purposes fund and designated funds.

Designated funds are funds established by the trustees from time to time for specific projects or purposes, are not in any way restricted and any surplus or deficit will be transferred to/from the general purposes fund when the designated fund is closed.

Restricted Funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal.

(r) Significant Judgements and Estimates

Preparation of the Financial Statements may require management to make significant judgements and estimates. There are no items in the Financial Statements where judgements and estimates would have a significant effect on amounts recognised in the Financial Statements.

(s) Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

2. DONATIONS AND LEGACIES

Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations	2,843	-	2,843	336
Total	2,843	-	2,843	336

The donations and legacies income for the year to 31 March 2018 of £336 was unrestricted. There were no donated services and facilities receivable (2018 - £nil).

3. CHARITABLE ACTIVITIES

Consolidated

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Local Authority contracts	2,140,674	-	2,140,674	2,179,517
Customer contributions	530,884	-	530,884	643,487
NHS contracts	3,110,761	-	3,110,761	3,855,955
Private dental work	594,818	-	594,818	601,383
Private counselling	36,462	-	36,462	26,591
Dentists' licence fee	-	-	-	(32,374)
Fee income	-	-	-	29,989
General consultancy	3,895	-	3,895	7,073
Sundry income	141,942	-	141,942	58,303
Use of buses	43,747	-	43,747	93,229
Dial-a-ride	20,930	-	20,930	21,435
Car share income	26,868	-	26,868	28,620
Grants received	8,948	225,831	234,779	202,952
Total	6,659,929	225,831	6,885,760	7,716,160

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

3. CHARITABLE ACTIVITIES (CONTINUED)

The group has entered into service agreement contracts with government bodies and local authorities to provide the various services and specific deliverables that the group provides. There were no unfulfilled conditions and/or other contingencies attaching to the grants that have been recognised in income.

The income received from charitable activities is split across the group's key activities as follows:

	Consolidated	
	2019	2018
	£	£
Training and education	40,171	90,373
Care	2,156,616	2,574,282
Transport	656,992	421,426
Dental	3,730,891	4,450,637
Health and social welfare	12,545	11,826
Information and counselling	288,545	167,616
Total	6,885,760	7,716,160

The consolidated income from charitable activities in the year to 31 March 2018 of £7,716,160 of which £7,662,959 was unrestricted and £53,201 was restricted.

4. INVESTMENT INCOME

Consolidated

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2019	2019	2019	2018
	£	£	£	£
Bank interest	3,009	-	3,009	683
Rent received	139,755	-	139,755	112,798
Total	142,764	-	142,764	113,481

For the year ended 31 March 2019

5 ANALYSIS OF TOTAL EXPENDITURE

Consolidated							2019	2018
	Central £	Care £	Transport £	Dental £	Health & Social Welfare £	Information & Counselling £	Total £	Total £
Direct staff costs	450,363	1,704,592	347,759	952,392	51,540	130,719	3,637,365	3,686,402
Consultancy	12,932	289,244	-	396,066	-	-	698,242	485,760
Transport costs	-	1,691	138,613	-	-	-	140,304	163,639
Dental costs	-	-	-	1,727,120	-	-	1,727,120	2,071,558
Other direct costs	16,360	36,219	3,898	-	-	-	56,477	67,962
Daycare club amenities	-	28,019	-	-	-	-	28,019	35,559
Motor and travel	-	59,570	-	-	-	-	59,570	59,105
Bad debts written-off	-	(1,285)	(545)	40,698	-	-	38,868	(17,698)
Support costs	312,181	221,040	85,194	668,696	46,398	92,263	1,425,772	1,381,654
Governance	9,715	5,965	4,498	7,384	2,088	1,490	31,140	22,513
Community Benefit Trading	-	-	-	-	1,176,603	-	1,176,603	983,916
Fundraising	59,016	-	-	-	-	-	59,016	35,846
Total	860,567	2,345,055	579,417	3,792,356	1,276,629	224,472	9,078,496	8,976,216

Expenditure on charitable activities in the year to 31 March 2018 of £8,906,862 was unrestricted, and £69,354 was restricted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The group identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs, together with the governance costs, are applied to the charitable and fundraising activities undertaken (see note 5) in the year. Refer to the table below for the basis of apportionment and the analysis of support, fundraising and governance costs.

Consolidated	Fundraising	General	Governance	Total	Basis of Apportionment
	£	£	£	£	
Support staff costs	-	112,394	-	112,394	Time
Establishment costs	-	602,022	-	602,022	Usage
Administration expenses	7,757	295,404	-	303,161	Usage
Equipment and maintenance	-	66,342	-	66,342	Usage
Advertising and publicity	-	13,012	-	13,012	Usage
Recruitment expenses	-	37,172	-	37,172	Usage
Trust fees	-	-	2,968	2,968	Governance
Legal and professional fees	-	34,175	-	34,175	Usage
Audit fees	-	-	28,172	28,172	Governance
Bank charges and interest	-	44,227	-	44,227	Usage
Lease interest	-	5,933	-	5,933	Usage
Depreciation of fixed assets	-	205,091	-	205,091	Usage
Amortisation	-	10,000	-	10,000	Usage
Total	7,757	1,425,772	31,140	1,464,669	

7. NET (EXPENDITURE)/INCOME FOR THE YEAR

This is stated after charging:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Depreciation	205,091	198,114	14,021	12,853
Operating lease charges	255,536	267,141	45,870	45,870
Auditor's remuneration – Audit fee	27,402	21,921	8,134	11,420
– Tax services	3,440	-	700	-

8. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2019	2018
	£	£
Consolidated		
Salaries and other costs	3,576,706	3,498,584
Social Security costs	234,056	208,919
Pension costs	67,735	50,916
Total	3,878,497	3,758,419

No employees' emoluments amounted to over £60,000.

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

	2019	2018
Carers	96	99
Nurses	35	37
Drivers	30	38
Trainers and assessors	1	1
Administration	75	73
Total	237	248

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

8. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (Continued)

No remuneration was paid to trustees from Social Care in Action or any group society or charitable company. During the year £922 was paid to 3 trustees for expenses in carrying out their duties (2018: - £409, 3 trustees). Certain members of the Management Committees of related entities within the SCiA group of social enterprises, who are not trustees of Social Care in Action, have received remuneration and expenses in those entities. These details are disclosed in the relevant entities Financial Statements. The Senior Management Team received total employee benefits of £451,520 (2018 - £387,586).

9. OPERATING LEASES COMMITMENTS CONSOLIDATED

Land	2019 £	2018 £
Less than 1 Years	254,481	255,536
2-5 Years	505,234	674,291
More than 5 years	-	85,391
Total	759,712	1,015,218

10. TAXATION

Social Care in Action is a charitable company registered with The Charity Commission in England & Wales (charity number 1096903). The charitable company is exempt from Corporation Tax on its charitable activities, reference XR86896.

The following societies had charitable status:

SCA Care	(Reference X 01428/91)
SCA Transport Services	(Reference XR 37023)
SCA Trafalgar Dental Services	(Reference XR 89817)

Options Wellbeing Trust and Southampton Healthy Living are also exempt from Corporation Tax on their charitable activities.

SCA Fenwick 2 Limited is not classed as having charitable status at HM Revenue & Customs and its activities are, therefore, not exempt for taxation purposes.

Provision has been made for taxation arising in the year to 31 March 2019 as follows:

	Consolidated	
	2019 £	2018 £
Corporation Tax provision for the year at 19%	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

11. TANGIBLE FIXED ASSETS

Consolidated	Freehold Land & Property	Leasehold Property Improvements	Furniture, Fixtures & Fittings	Buses & Motor Vehicles	Computer Equipment	Office Equipment	Training Equipment	Dental Equipment	Total
	£	£	£	£	£	£	£	£	£
Cost/Valuation									
At 1 April 2018	1,107,217	1,287,776	80,013	796,315	126,528	70,973	745	552,247	4,021,814
Additions	70,144	7,494	3,112	-	14,676	9,063	-	20,530	125,019
Disposals	-	-	-	(146,159)	-	-	-	-	(146,159)
Revaluation	6,856	-	-	-	-	-	-	-	6,856
At 31 March 2019	1,184,217	1,295,270	83,125	650,156	141,204	80,036	745	572,777	4,007,530
Depreciation									
At 1 April 2018	71,990	1,055,670	73,977	716,198	51,187	65,972	745	316,403	2,352,142
Charge for the year	16,960	49,253	3,338	26,535	25,605	4,397	-	77,263	203,351
Eliminated on disposal	-	-	-	(146,159)	-	-	-	-	(146,159)
Revaluation	(13,457)	-	-	-	-	-	-	-	(13,457)
At 31 March 2019	75,493	1,104,923	77,315	596,574	76,792	70,369	745	393,666	2,395,877
Net Book Values									
At 31 March 2019	1,108,724	190,347	5,810	53,582	64,412	9,667	-	179,111	1,611,653
At 31 March 2018	1,035,227	232,106	6,036	80,117	75,341	5,001	-	235,844	1,669,672

At 31 March 2019 the net book value of assets held under finance leases or hire purchase contracts amounts to £116,781 (2018 - £171,119). The depreciation charged on these assets during the year was £54,338 (2018 - £59,563).

A property within freehold land and property with a NBV of £493,724 is offered as security on a bank loan

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

11. TANGIBLE FIXED ASSETS (CONTINUED)

Consolidated (Continued)

During the year ended 31 March 2008, SCA Care received a grant of £850,000 from Hampshire Primary Care Trust. This grant was used to purchase The Fenwick Hospital, Pikes Hill, Lyndhurst for £850,000. No cost has been included in Freehold Land & Property as the grant received has been offset against the capital cost of The Fenwick Hospital. Hampshire Primary Care Trust has taken a legal charge on The Fenwick Hospital. The legal charge provides that the full market value (at the time of disposal) from any future disposal of the property is returned to Hampshire Primary Care Trust. SCA Care granted a five year lease to SCA Fenwick 2 Limited on the property, which expired in March 2013. SCA Fenwick 2 Limited continues, under licence, to occupy the property on the same terms as the expired lease. The properties at Basingstoke, and Southampton were valued by Primer Olds during the year and agreed by the trustees based on relevant market information.

All properties are unencumbered, with the exception of the property in Southampton where Southampton City Council has a legal charge over the property representing a 20% interest in the property. The property's revaluation included in the group Financial Statements incorporates 80% of the total value of the property.

Charitable Company

	Office Computer Equipment £	Training Equipment £	Furniture & Equipment £	Total £
Cost				
At 1 April 2018	61,854	745	3,030	65,629
Additions	6,443	-	5,952	12,395
Transfers	(957)	(745)	-	(1,702)
At 31 March 2019	67,340	-	8,982	76,322
Depreciation				
At 1 April 2018	20,569	745	2,127	23,441
Charge for the year	12,410	-	1,611	14,021
Transfers	(242)	(745)	-	(987)
At 31 March 2019	32,737	-	3,738	36,475
Net Book Values				
At 31 March 2019	34,603	-	5,244	39,847
At 31 March 2018	41,285	-	903	42,188

12. INVESTMENT PROPERTY

	Consolidated £	Charitable Company £
Cost/Valuation		
At 1 April 2018	134,710	-
Revaluation	55,290	-
At 31 March 2019	190,000	-
Depreciation		
At 1 April 2018	3,190	-
Charge for the year	1,740	-
Revaluation	(4,930)	-
At 31 March 2019	-	-
Net Book Values		
At 31 March 2019	190,000	-
At 31 March 2018	131,520	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

12. INVESTMENT PROPERTY (CONTINUED)

The property at Eastleigh was valued by Primer Olds, this revaluation took place in 2019, the trustees believe the valuation has not materially changed.

13. GOODWILL

	Consolidated Totton Practice £	Charitable Company £
Cost/Valuation		
At 1 April 2018 and 31 March 2019	100,000	-
Amortisation		
At 1 April 2018	70,000	-
Charge for the year	10,000	-
At 31 March 2019	80,000	-
Net Book Values		
At 31 March 2019	20,000	-
At 31 March 2018	30,000	-

In March 2011 SCA Trafalgar Dental Services took over a dental practice in Totton, Hampshire. The society paid £100,000 by way of goodwill on acquiring the practice. Amortisation of the goodwill is over 10 years and commenced on 1 April 2011.

14. INVESTMENTS

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Members' shares of £1 each purchased	-	-	4	4
Total	-	-	4	4

During the year ended 31 March 2012, Social Care in Action invested £1 to become a member of each of the following Registered Societies:

- SCA Care
- SCA Transport Services
- SCA Trafalgar Dental Services
- SCA Fenwick 2 Limited

During the year ended 31 March 2017, Social Care in Action became members of Options Wellbeing Trust and Southampton Healthy Living, both companies limited by guarantee. The guarantee is limited to £10 and £1 respectively per member for each of these companies, payable on the winding-up of the company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

14. INVESTMENTS (Continued)

The charity has 100% voting rights in the following subsidaires:

Subsidiary	Entity Status	Principal Activity	Interest Held	Gross Income	Surplus / (Deficit)
SCA Care	Registered Society	Provision of care services	Member	2,166,362	(307,705)
SCA Transport	Registered Society	Provision of transport services	Member	683,764	4,144
SCA Trafalgar Dental Services	Registered Society	Provision of dental services	Member	3,731,874	(424,901)
SCA Fenwick 2 Limited	Registered Society	Provision of health and wellbeing services	Member	118,987	623
Options Wellbeing Trust	Charitable private company limited by guarantee	Provision of gambling awareness and counselling services	Registered legal entity	320,323	229,847
Southampton Healthy Living	Private company limited by guarantee	Provision of services to promote health awareness	Registered legal entity	1,188,400	2,233

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

15. DEBTORS

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	741,756	508,959	5,054	3,115
Other debtors	261,912	321,425	-	-
Prepayments and accrued income	261,379	270,002	47,222	52,998
VAT	6,447	16,794	-	7,104
Amounts due from Related Societies:				
SCA Care	-	-	-	1,278
SCA Transport Services	-	-	70,620	17
SCA Fenwick 2 Limited	-	-	7,770	30,000
Options Wellbeing Trust	-	-	33,187	12,020
Southampton Healthy Living	-	-	-	1,440
Total	1,271,494	1,117,180	163,853	107,972

16. CREDITORS: Amounts falling due within one year

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	56,061	19,325	-	-
Bank overdraft	-	225,227	-	-
Trade creditors	627,348	259,135	47,744	44,830
Hire purchase and finance leases	42,257	45,988	-	-
Other creditors	269,225	270,737	6,638	2,188
Social Security and other taxes	76,008	69,905	15,388	15,188
VAT	-	-	7,906	-
Accruals	1,583,999	1,666,539	14,516	21,878
Deferred income (Note 17)	15,414	132,345	-	-
Pension liability and contribution	29,446	29,806	-	-
Amounts due to Related Societies:				
SCA Care	-	-	15,128	-
SCA Trafalgar Dental Services	-	-	333,026	349,425
Southampton Healthy Living	-	-	37,563	-
Total	2,699,758	2,719,007	477,909	433,509

17. MOVEMENTS IN DEFERRED INCOME

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred income at 1 April 2018	132,345	15,615	-	-
Income released during the year	(132,345)	(15,615)	-	-
Income deferred in the year	15,414	132,345	-	-
Deferred income at 31 March 2019	15,414	132,345	-	-

18. CREDITORS: Amounts falling due after more than one year

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	378,611	16,231	-	-
Local Authority loan	25,195	24,708	25,195	24,708
Hire purchase and finance leases	9,239	54,083	-	-
Pension liability	338,348	524,985	-	-
Total	751,393	620,007	25,195	24,708

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

19. BANK LOANS

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Loans payable falling due within one year	56,061	19,325	-	-
Loans payable falling due in more than 1 year but less than 5 years	378,611	16,231	-	-
Total	434,672	35,556	-	-

During the year to 31 March 2015 SCA Trafalgar Dental Services took out an unsecured loan of £96,625 with Shawbrook Bank Limited. The loan is repayable over 5 years and carries commercial rates of interest. The loan was used to finance the refurbishment of a new leased surgery in Portsmouth.

During the year to 31 March 2019 SCA Trafalgar Dental Services has entered into two ten year mortgages with Lloyds Bank PLC; £225,000 is at a variable rate of 1.95% above BOE bank rate, and £225,000 is at a fixed rate of 3.78%. The mortgages are secured against the property at Swanage.

20. COMMITMENTS UNDER OTHER LONG-TERM LOANS

Future commitments under long-term loans are as follows:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts payable between 2 and 5 years	24,000	24,000	24,000	24,000
	24,000	24,000	24,000	24,000
Add: Accrued interest and finance charges	1,195	708	1,195	708
Total Other Loans	25,195	24,708	25,195	24,708

Other long-term loans are analysed as follows:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current obligations	25,195	24,708	25,195	24,708
Total	25,195	24,708	25,195	24,708

During the year ending 31 March 2017 Social Care in Action took over the operation of the Cobbett Road Library in Southampton from the local authority. Southampton City Council provided a loan of £24,000 to cover the running costs for the first year of operation. This loan is repayable when a surplus is generated from that property over a three year period. Interest is accruing at a rate of 2.0%.

21. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Future commitments under hire purchase and finance lease agreements are as follows:				
Amounts payable within one year	48,140	48,694	-	-
Amounts payable between 2 and 5 years	10,761	64,716	-	-
	58,901	113,410	-	-
Less: Interest and finance charges relating to future periods	(7,405)	(13,339)	-	-
Total	51,496	100,071	-	-
Hire purchase and finance lease agreements are analysed as follows:				
Current obligations	42,257	45,988	-	-
Non-current obligations	9,239	54,083	-	-
Total	51,496	100,071	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

22. COMMITMENTS FOR PENSION PAYMENTS

Future commitments under pension agreements are as follows:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts payable within 1 year	25,535	26,208	-	-
Amounts payable between 2-5 years	107,800	109,000	-	-
Amounts payable after 5 years	393,665	508,000	-	-
	527,000	643,208	-	-
Less: Interest and finance charges relating to future periods	(171,643)	(92,015)	-	-
Total	355,357	551,193	-	-

Pension commitments are analysed as follows:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Current obligations	17,009	26,208	-	-
Non-current obligations	338,348	524,985	-	-
Total	355,357	551,193	-	-

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2019	2019	2019	2018
	£	£	£	£
Consolidated				
Tangible fixed assets	1,611,653	-	1,611,653	1,669,672
Investment Properties	190,000	-	190,000	131,520
Intangible assets	20,000	-	20,000	30,000
Current assets	2,748,887	7,280	2,756,167	3,222,082
Current liabilities	(2,699,758)	-	(2,699,758)	(2,719,007)
Long term liabilities	(751,393)	-	(751,393)	(620,007)
Net assets at 31 March 2019	1,119,389	7,280	1,126,669	1,714,260
Charitable Company				
Tangible fixed assets	39,847	-	39,847	42,188
Investments	4	-	4	4
Current assets	533,131	7,280	540,411	583,448
Current liabilities	(479,476)	-	(479,476)	(433,509)
Liabilities due after one year	(25,195)	-	(25,195)	(24,708)
Net assets at 31 March 2019	68,311	7,280	75,591	167,423

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2019

24. ANALYSIS OF CHARITABLE FUNDS

	Restated At 01.04.18 £	Incoming Resources £	Gains £	Outgoing Resources £	At 31.03.19 £
Consolidated					
Analysis of Movements in Unrestricted Funds					
General Fund	2,038,284	8,004,618	-	(8,862,044)	1,180,858
Pension Fund	(551,193)	-	179,923	15,913	(355,357)
Revaluation reserve	219,832	-	80,533	(6,477)	293,888
Total Unrestricted Funds	1,706,923	8,004,618	260,456	(8,852,608)	1,119,389
Analysis of Movements in Restricted Funds					
Contract Readiness Fund	-	35,340	-	(35,340)	-
Gamcare	-	189,555	-	(189,555)	-
Hardship fund	3,501	936	-	(993)	3,444
Mildred Anne Reynolds fund	3,836	-	-	-	3,836
Total Restricted Funds	7,337	225,831	-	(225,888)	7,280
Total Funds	1,714,260	8,230,449	260,456	(9,078,496)	1,126,669

	Restated At 01.04.18 £	Incoming Resources £	Outgoing Resources £	At 31.03.19 £
Charitable Company				
Analysis of Movements in Unrestricted Funds				
General Fund	160,086	735,218	(825,426)	69,878
Total Unrestricted Funds	160,086	735,218	(825,426)	69,878
Analysis of Movements in Restricted Funds				
Contract Readiness Fund	-	35,340	(35,340)	-
Hardship fund	3,501	936	(993)	3,444
Mildred Anne Reynolds fund	3,836	-	-	3,836
Total Restricted Funds	7,337	36,276	(36,333)	7,280
Total Funds	167,423	771,494	(861,759)	77,158

Unrestricted Funds

Unrestricted Funds comprise of :-

General Fund – Those funds which the Trustees are free to use in accordance with the Charity's objects and to fund the Charity's net fixed assets.

Pension Fund – Those funds which the Trustees are to use to fund the Charity's pension obligations as disclosed in note 25.

Revaluation Reserve - relates to investment property and freehold property revaluations in Options Wellbeing Trusts.

Restricted Funds

Restricted Funds are funds which have been given for particular purposes and projects. The Restricted Funds must be used for the specific purpose as laid down by the donor.

Contract Readiness Fund – Social Care in Action has received a grant of £52,860 from the Big Lottery. SCiA engaged the services of Cogent Ventures to prepare the group to apply for and become successful at tendering for new business. This fund assisted SCA Care in obtaining the Southampton Living Well contract which commenced on 1 April 2018. This fund is also being used to create charitable business plans for subsidiaries in the group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**For the year ended 31 March 2019****24. ANALYSIS OF CHARITABLE FUNDS (Continued)****Restricted Funds (Continued)**

Gamcare – Options Wellbeing Trust receive a grant from Gamcare to be used solely on the provision of providing free counselling to clients referred to them via the Gambleaware hotline.

Hardship Fund - Social Care in Action has received funds to provide services to the community during the year.

Mildred Anne Reynolds Fund - Social Care in Action received a gift of £5,000 to fund the introduction of new activities to the health and wellbeing centre operated by SCA Fenwick 2 Limited

25. PENSION COSTS**Defined benefit pension scheme**

SCA Care operates a defined benefit pension scheme within a multi-employer plan, operated by Hampshire County Council. Hampshire County Council have notified the registered society of its share of the pension scheme deficit and provided a 20 year plan to fund that deficit. The commitment is estimated based on the same assumptions as the HCC actuary. At 31 March 2019 the commitment outstanding was £306,895.

Options Wellbeing Trust participates in the Hampshire County Council pension scheme, which is a multi-employer defined benefit scheme. Options Wellbeing Trust contributes to their scheme for one current employee.

Hampshire County Council have notified the registered society of its share of the pension scheme deficit and provided a 20 year plan to fund that deficit. The commitment is estimated based on the same assumptions as the HCC actuary. At 31 March 2019 the commitment outstanding was £48,462.

The potential liability arising on the pension scheme will not crystallise whilst there is at least one contributing member to the pension scheme but will crystallise if Options Wellbeing Trust decides to leave the pension scheme permanently. The principal actuarial assumptions used are: a discount rate of 4.5%, time period of 20 years ending 2035, and an inflation rate of 2.7%.

Reconciliation of opening and closing balances

Provision at start of year	(551,193)
Deficit Contribution Paid	24,400
Interest	(8,487)
Remeasurement	<u>179,923</u>
Provision at end of year	<u>(355,357)</u>

Total cost relating to the defined benefit plans recognised in the statement of financial activities as an expense.

Defined contribution pension

The group also operates a defined contribution scheme. The pension cost charged for the period represents contributions payable by the society to the scheme amounted to £15,823 (2018: £7,285).

26. FINANCIAL INSTRUMENTS

Financial instruments, measured at amortised cost, comprise the following:

	Consolidated		Charitable Company	
	2019	2018	2019	2018
	£	£	£	£
Financial assets that are debt instruments	1,003,668	830,384	116,631	47,870
Financial liabilities that are debt instruments:				
- Bank loans	434,672	35,556	-	-
- Other	2,869,011	2,992,981	444,378	443,029

27. RELATED PARTIES

Social Care in Action is a member of the SCiA group of social enterprises. The other members of the SCiA group of social enterprises are SCA Care, SCA Transport Services, SCA Trafalgar Dental Services, SCA Fenwick 2 Limited, Options Wellbeing Trust and Southampton Healthy Living. All charitable companies and registered societies of the SCiA group of social enterprises are operated and managed on a unified basis.

During the year Social Care in Action undertook transactions with the related societies in the normal course of activities. This amounted to £706,110 (2018: £834,456).

As at 31 March 2019, Social Care in Action (parent) had a number of outstanding balances with related societies as disclosed in notes 15 and 16.

28. LEGAL STATUS OF THE CHARITABLE COMPANY

The charitable company, Social Care in Action, is limited by guarantee and has no share capital. The liability of each member, in the event of winding-up, is limited to £10.

29. ULTIMATE CONTROL

Social Care in Action is controlled by the trustees, acting as Directors of the Charitable Company.