

Company Registration No: 07211819 (England & Wales)

Charity Registration No: 1135353 (England & Wales)

**Ambient Support Limited**  
**Annual Report & Consolidated Financial Statements**  
**For the year ended 31 March 2021**



# Ambient Support Limited

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For the year ended 31 March 2021

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## Ambient Support Limited

### Charity and Trustee Information (continued)

For the year ended 31 March 2021

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<b>Director of Sales, Marketing &amp; Communications</b>	Davina Sellick
<b>Chief Information Officer (Appointed 18/01/21)</b>	Lee Hodgson
<b>Chief Executive and Secretary of Amber Housing Limited from 01/04/21 (previously Chief Operating Officer of Amber Housing Limited until 31/03/21)</b>	Emelda Livette
<b>Secretary of Amber Housing Limited until 31/03/21</b>	Mark Milton
<b>Bankers</b>	Barclays Bank PLC Level 28 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ  Devonshires 30 Finsbury Circus London EC2M 7DT  Brachers LLP Somerfield House 59 London Road Maidstone ME16 8JH
<b>Statutory Auditor</b>	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

# Ambient Support Limited

## Trustees' Report

For the year ended 31 March 2021

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### Introduction

The Trustees of Ambient are pleased to present their report and consolidated audited financial statements for the year ended 31 March 2021 for all entities that are part of the Group, which are also prepared to meet the requirements for a directors' and strategic report and accounts for Companies Act purposes.

The reference and administrative information set out on pages 2 and 3 form part of this report. The Trustees (who are also its Directors) included in this section of the report have acted in the role of a Trustee during the year and up to the date of signature, except when otherwise indicated. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Articles of Association, the Companies Act 2006, the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) second edition effective 1 January 2019.

### STRATEGIC REPORT

#### Achievements and performance

Set against the backdrop of an unprecedented global pandemic, as well as Brexit, this year has been hugely challenging for us and the social care sector in general (as well as many others). Despite this, we have responded professionally and competently, successfully deciphered the plethora of regularly updated and sometimes conflicting best practice, regulation, and general advice, and implemented sound infection control processes and PPE, to keep the vulnerable people we support, and our staff, safe. Likewise, we have ensured that despite some of the financial pressures, we have sought to do everything possible to keep the Charity on a strong financial footing, including obtaining and making good use of the Covid-related support grants that were available from Central Government and Local Authorities.

#### Key performance indicators

The type of service provided to each client currently forms the categories in the Statement of Financial Activities under which we report. The performance of the Charity is presented in a dashboard form, and reviewed quarterly by Trustees.

Those dashboard reports, based on the management accounts at that time, showed the following KPIs vs budgeted objectives as follows:

	2021	2020
<b>Gross contribution %</b>		
YTD Actual	9.3%	10.5%
YTD Budget	11.1%	11.2%
% Variance	(1.8%)	(0.7%)
<b>Overhead %</b>		
YTD Actual	12.5%	12.0%
YTD Budget	12.8%	12.3%
% Variance	0.3%	0.3%

Some key achievements during the year were as follows:

- The Group continued to deliver high quality services across more than 120 locations to over 1,000 people who require care and support, to help them to meet their needs and goals and live as full and independent lives as possible.
- At year-end, 84% of our services had "good" or "outstanding" ratings with CQC.

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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- Despite the external environment, new learning disabilities services were opened in Wandsworth, Leicester and Newham, and just after the year-end, in Bromley.
- The pandemic did not divert us from our planned investments to help enable our shift from “Good” to “Great” (see “Strategic Plan (2020-2025)” below). This included making a significant start to our IT and digital transformation journey with the development and introduction of the first modules of our Enterprise Care project. This project will give us a secure, modular, client-centric Enterprise System, delivering corporate-wide efficiencies, and supporting growth and development through integration and business intelligence, whilst driving and supporting the strategic objectives of Ambient.
- The Group continued to take steps to ensure the Charity’s long term financial sustainability, including re-negotiation of contracts with key funders.
- Despite the timing of the pandemic, we nevertheless completed the roll out of our new brand as Ambient - see “Rebrand” section below.
- The Charity’s profile was significantly raised, primarily as a result of the rebrand.
- A number of new Trustees were successfully recruited, including our new Chair, David Brindle.
- The Group continued to maximise our use of the Apprenticeship Levy funding, increasing and improving the training offer for staff at all levels.

**Case Study – Supported Living Service, Bexley**

*Background*

- X was referred to Ambient in January 2020 after a period in a secure unit having been sectioned under the Mental Health Act.
- X is a 32-year-old male.
- X’s father was not happy with the care and support his son had been receiving prior to his arrival at Ambient.
- X had been moved many times in the previous 10 years of his life and had a history of violence toward staff and challenging behaviours.
- X had high anxiety and could become fixated on schedules and detail in an attempt to control his life and environment.
- He was extremely distrustful of health professionals and care and support staff due to the breakdowns in his previous placements. This often triggered his anxiety and violent behaviour.

*Intervention*

Staff requested that all papers relating to X’s previous care and support journey were sent through prior to his arrival at the service. This gave staff a decade’s worth of history to understand both where and how there had been issues in care and support previously.

Ambient’s staff used Positive Behaviour Support (PBS) to create a care and support plan for X before he had even left his secure placement. Staff were prepared and ready for his arrival.

PBS coaches worked alongside the staff team to develop good practice and approaches. This PBS approach has meant that X’s care has been continually adapted as X has grown and changed as a person. Using active support meant Ambient’s most important focus was allowing X to make his own choices and working closer to independence every day. Active support is an approach that constantly encourages independent thought and choice, and this was implemented by staff who knew X’s history intimately and understood his behavioural triggers very well.

One of X’s greatest sources of anxiety was the worry of what was coming up that day, week etc. This meant when the Ambient’s staff team had a birthday party planned for X, all the decorations were taken down the night of the celebration so as not to create anxiety for him the next day, and to show a defined finish to the event.

Ambient's staff personalised every aspect of his care to make X feel he had control over his own life. They created a "Now or Next" board where he saw the choices available for him that day, and he could organise his own schedule. Sleep charts were put in place and one-to-one meetings were provided to help him to get into a healthy sleeping pattern. X had never previously received any one-to-ones with intensive engagement like this.

X's mental and physical health was considered. Staff encouraged X to keep going to the gym three times a week to keep him fit and healthy in addition to helping him lose excess weight.

*Impact and Outcomes*

- ✓ X's life has transformed because he is now able to communicate his needs and wants appropriately, which in turn gives him choice and independence over his own life.
- ✓ There has been a huge reduction in challenging behaviour from X.
- ✓ X feels secure because the staff are knowledgeable and trusting and respectful of him, and as a result, he gives this back to others.
- ✓ X is relaxed and less reliant on staff. His confidence and life skills have increased dramatically as a result.
- ✓ With increased independence and control X is now much happier and staff are looking at how his anxiety medicines may be reduced in the immediate future.

**Rebrand**

After a three year consultation and development period, in April 2020, Heritage Care Limited rebranded to become an organisation with one name (Ambient Support Limited), one logo and one website to enable it to better articulate its service offerings and provide clarity of thought and vision.

The aim of the rebrand was to raise awareness of Ambient as a Charity, create a one team culture, attract new talent, and develop and attract new partnerships whilst positioning the Charity as a leader in its field of expertise.

The Covid pandemic did have a significant impact on the planned marketing and communications activity. This meant that a substantial amount of time was spent increasing visual and video content on the website and there was increased focus on attracting positive PR during a turbulent and troubling period. Looking specifically at the public website in general terms, most top-level statistics have improved dramatically, especially users and page views, however, duration on web-pages has decreased while the bounce rate (numbers leaving after viewing one page) has increased. The latter is most likely a result of the increased advertising spend specifically on mental health and learning disability specific Google AdWords' advertising campaigns. These types of campaigns naturally create wastage as not all of that traffic can be accurately converted.

On social media there has been a good increase in followers and "likes" but the largest platform for growth has been on LinkedIn. This would indicate that Ambient is attracting a business audience to its profile. From April 2020-May 2021 we released a total of 37 press releases and amassed 103 separate pieces of coverage across the country at both national and regional level. This included nine radio interviews and two television appearances. Given the unpredictability of the media landscape during this time, this is an excellent result.

**Head office and remote working**

Staff moved into our newly purchased Head Office in South Woodford in March 2020. These offices were far more appropriate in meeting the needs of our staff and visitors, and included an investment in heating and climate control that would assist in the reduction of energy use along with a range of other identified needs. Unfortunately, due to the pandemic, we had to de-camp shortly after moving in, and the focus moved to ensuring support staff were able to work effectively from home. Our IT department worked quickly to ensure that this happened with Microsoft Teams and Zoom meetings quickly becoming the norm.

During the pandemic, with the aid of technology, support staff were able to primarily work from home, with some visits to offices and schemes when required. This worked well on the whole, with on-line Microsoft Teams or Zoom meetings, and office land lines re-directed to individuals' mobiles. A hybrid model incorporating part home and part office working is likely in future.

#### Strategic Plan (2020-2025)

Ambient's 5 Year Plan was agreed at the Board meeting in March 2020 and has been designed to cover the next five-year period to 2025. It has been designed following extensive engagement with the people we support and a variety of different stakeholders.

The Mission, Values, and strategic pillars of the Charity remain unchanged and will continue to represent the guiding and common thread that underpins all the Charity's activities.

The strategy continued to be structured around the 5i values which are set out below.

Our development strategy continued to be to remain sustainable and financially strong; to actively seek to improve the wellbeing of the individuals we support; to enhance the employment experience of our staff; and to develop innovative service offers which serve to enhance our reputation.

Our shared mission for the whole Group:

***To provide personalised support that enables individuals to lead valued and meaningful lives in the community.***

Our shared values across Ambient and its subsidiary, known as the 5i's, are:



**Our 5i Values sit at the very heart of all that we do and guide us in all our working practices:**



**impact:** We make a positive difference to people's lives, enabling greater independence, improved wellbeing, better outcomes and increased choice



**innovative:** We embrace a culture for change that strives for continuous reflection, improvement and achievement of excellence.



**inspirational:** We promote imagination and positivity, motivating our staff and the people we support.



**inclusive:** We positively welcome diversity of background, ethnicity, skills, talents and contributions from everyone.



**integrity:** We respect all people as individuals and treat them with compassion and consideration. In all our dealings we are open, honest, accountable and transparent.

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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The key overarching vision for the next five years will be to work from a position of "Good" to a position of "Great". The plan is a confident and ambitious statement about where we want to be in five years' time. To that end a number of statements have been developed which articulate the scale of that ambition:

By 2025 the people we support will:

- Benefit from outstanding quality care and support. We aspire to every service being outstandingly run. (Beacon of Excellence)
- Be equal partners in co-producing models of care. Our annual survey will show that this is in place for everyone. (Partner of Choice)
- Be supported by staff who are safe, supported and valued. We aspire to Great Place to Work accreditation. (Employer of Choice)
- Be assisted by technology which will actively promote their wellbeing and independence. (Pioneering Services)

By 2025 the Charity will:

- Achieve greater recognition as a leading national provider of community-based support for adults with complex care and support needs to include frail elders, learning disability and mental health. (Beacon of Excellence)
- Become financially sustainable through the development of more diverse income streams to include new commissioning partnerships with the NHS and private individuals. (Financial Strength)
- Differentiate itself by providing tailored packages of community-based support and housing to those with complex care and support needs to include the use of charitable income to enhance wellbeing and independence. (Pioneering Services)
- Provide sector leading training in areas such as positive behavioural support. (Beacon of Excellence)
- Work as a community partner of choice to increase social capital. (Beacon of Excellence)

Building on our position of financial strength, significant investment will be drawn down from our Balance Sheet to enable Ambient to realise its ambition. The five-year plan is supported by a number of enabling and more detailed functional and operational strategies that will be fed through the committees that have oversight of these work streams.

This will mean that there is resource, capacity and flexibility within these dynamic environments to explore, develop, act decisively and respond to opportunities as they arise. This oversight will enable Ambient to have an agile and responsive approach that will take the steps to firstly modernise and then transform the Charity.

**Covid Pandemic Impact on 2020-2025 Plan**

Shortly after the original Plan was agreed by the Board, the Covid pandemic hit. Ambient concentrated its resources and capacity on the management of the pandemic and its impact on Ambient services and the people we support.

As a result, Trustees subsequently agreed:

- The ambition and aspiration in the plan needed to be retained, although the immediate focus should be on building our resilience to the impact of the pandemic and potential further waves.
- The pandemic and the resulting uncertainty would necessitate some re-prioritisation with key priorities for the following 12-18 months identified.

Trustees' Report (continued)

For the year ended 31 March 2021

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- The financial impact of the pandemic would need to be modelled and extrapolated forward to inform the reprioritisation process and identify resources required.
- The following overarching strategic priorities continue to provide the focus for this financial year:
  - o To maintain liquidity
  - o To review overheads/structure
  - o To focus on workforce support and development
  - o To divest from unsustainable services
  - o To ensure strong Quality Assurance and Governance

See "Risk statement and management" below for more information on how we are assessing and managing the impact of the pandemic.

**Business Plans**

The business plans translate the strategy into actions and timeframes required across the business areas, supported by annual budgets and forecasts based on expected changes in income and costs for each year using prudent assumptions.

Challenges remain that require skilful management. These include increasing staff costs (e.g. due to National Living Wage uplifts) which are not necessarily covered by corresponding annual fee uplifts from Local Authorities. Services not making a financial contribution cannot be sustained long term as a lack of adequate and sustainable funding impacts on the quality of the service and often leads to difficulties in attracting and retaining staff.

An IT and digital transformation programme forms part of our plan to secure efficiency savings with greater technological usage and investment in new integrated systems to gain enhanced management information, drive efficiency, embrace automation, and aid decision making and transparency of service performance.

We also continue our creative staff recruitment and retention initiatives, especially in hard to recruit areas, combined with learning and development offers to the care and support staff to give them clear career pathways.

Operating in over 120 locations, we deliver services that meet the needs of over 1,000 people who require support and care to live full lives.

In our services for people with **Learning Disabilities (LD)** the focus has been on developing our practice so that the best outcomes are achieved in each service. We have continued to invest in Positive Behaviour Support (we now have PBS Coaches and PBS Functional Assessors working in teams across all regions) and the person-centred Active Support approach. We now have better defined service offers around PBS. Our new Quality Team is also supporting services to plan and monitor what we offer in better ways and is driving increased levels of involvement and engagement with the people we support. New offers for people with more complex needs are being developed and we opened a new 'step down' service in London during the year.

Ambient currently has four domiciliary care branches, five residential homes and one nursing home within the Learning Disability service portfolio. At the year-end, these services were providing support to over 300 individuals with a range of needs, whether it is a 24/7 service or just a few hours a week to help people meet their potential.

Our aim is to provide high quality support that enables individuals to be as independent as possible, live the life of their choice, and be in control of their own lives, attaining meaningful citizenship in their local community.

In our **Mental Health (MH)** portfolio we have six residential homes, two supported living services and one domiciliary care branch (through which we can provide flexible community support). Our person-centred approach allows us to work with over 200 individuals with a wide range of support needs but all with proactive plans to aid recovery and either maintain or develop skills and confidence to live full lives within their communities. Services are offered as part of wider mental health care pathways with an emphasis on moving through stages of support to achieve a more independent lifestyle including taking up opportunities for voluntary and paid work. We liaise closely with health professionals and other stakeholders as part of multi-disciplinary teams to ensure that emotional wellbeing, mental health and physical health are considered in a holistic approach to the support package.

The pandemic threw up a unique set of challenges for both the people we support and our staff teams (not least the difficulties in communicating whilst wearing masks) but services managed to deliver excellent levels of care and support regardless.

**Older People (OP)** – Not surprisingly, the impact of the pandemic was felt most acutely in our services for older people. Our focus was on keeping the people we support safe and healthy whilst also ensuring the wellbeing of staff teams working in extremely difficult circumstances. We have concentrated on developing systems to maintain quality standards and meet CQC compliance requirements including new expectations around infection prevention and control, staff training and working in partnership with other health professionals. As the vaccination programme has started to have an impact, we have been able to initiate work with Local Authorities and develop our marketing approach (for potential private payers) to start to tackle the issue of low occupancy. Where possible, and on the assumption that risks around the pandemic continue to recede, we will seek to re-open homes as community assets, hosting dementia-friendly community events, activities and information sessions, welcoming people living nearby as well as those we already support.

Our services for older people include residential care for frail elderly people, and those with dementia, nursing care, respite support and domiciliary support for people living in their own homes.

During the year, OP Services supported almost 500 people across eight residential and nursing homes and two extra care housing with support locations. We currently run services in Buckinghamshire, Hertfordshire, Kent, Nottinghamshire, Suffolk, and Gloucestershire.

**Housing Management services** – Amber Housing provides a facilities management service to Ambient and acts as a landlord both owning and leasing property which it lets at affordable rents to individuals with a disability. Amber Housing does not work exclusively with Ambient and is developing its property management services with other landlords and housing associations.

In summary, Ambient and its Amber Housing subsidiary seek involvement from all their clients through engagement in forums, sharing of information in an accessible form as required and inviting participation in decision making across the organisation. Best practice is shared across all areas of the Group, and the Ambient website showcases good news stories and how we can support people to better meet their needs. The voice of some of the people that we support reaches across the whole organisation through participation in different forums and discussion groups and some of the people that we support get involved in the recruitment of staff and Trustees and regular reviews of the quality of our services.

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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**Matters of strategic importance**

The Company has chosen in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2008 to set out in the strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. It has done so, where relevant, in respect of financial risk management objectives and policies, exposure to price risk, credit risk, liquidity risk and cash flow risk.

**Financial review**

The principal funding sources for the year were contractual payments for care and support services from Local Authorities, the NHS and individuals assessed as able to fund their own care and support. For housing related services, the funding has been from Housing Benefit for the rent and service charges and from individuals for ineligible service charges and those not eligible for Housing Benefit. There is in addition small amounts of income from voluntary donations and interest on cash deposits.

During the year the Group received income of £36,938k (2020: £38,377k) and had expenditure of £37,562k (2020: £38,388k) resulting in a net deficit of £624k (2020: £11k). This was entirely in line with expectations as our Board had approved an investment budget for the year. After taking into account the actuarial pension loss and adjustments of £1,743k (2020: £2,594k gains) the net movement in funds at the year-end was £2,367k deficit (2020: £2,583k surplus), which includes £53k (2020: £5k) from Amber Housing.

The pressure on staff costs continues for the Charity including in some areas staff recruitment and retention which often results in increased use of external agency staff at a premium cost. High staff/agency costs have been a feature during the pandemic linked to staff isolating and infection control measures requiring back fill from staffing/agency. Even without a global pandemic, pressure on staff costs, staff recruitment and retention is a typical care sector issue, and this encompasses geographic hot spots, the level of pay for many care staff being close to National Living Wage and these individuals choosing to work in other sectors. The lack of adequate funding from some Local Authorities to reflect the staff cost changes continues to put pressure on our margins, and we have continued to make efficiency savings wherever possible as well as improving our systems and general use of technology to help us better manage staff working, efficiency and effectiveness. We have also continued to work successfully with a neutral vendor (since 2019) in relation to our agency staff requirements, targeting both improved quality as well as a significant overall reduction in agency staff spend.

An increasing level of voids in many OP services has been exacerbated this year in particular as a result of the pandemic and a lack of demand for spare beds. Voids also continue to be linked to an increasing level of complexity and dependency of individuals and our ability to safely meet their needs with our current available resources. We have continued to work with the Local Authorities involved to agree satisfactory resolutions.

At the end of the financial year reserves totalled £9,657k (2020: £12,024k) of which £75k (2020: £91k) relates to restricted funds. Further details of the composition of the unrestricted funds are given under the 'Reserves policy' section of this report.

At the year-end the Charitable Group has pension liabilities as follows:

- Social Housing Pension Scheme (SHPS): £2,159k (2020: £1,048k).
- LGPS Buckinghamshire: £2,152k (2020: £1,824k).
- LGPS Sutton: £131k (2020: £48k).

The movement in defined benefit pension liabilities has increased this year, reversing in part the reduction in liability seen at last year-end, resulting in a negative adjustment of £1,743k against reserves (see note 10). The payment liabilities for all pensions are incorporated into our financial plans as they fall due, but as the total liabilities are unlikely to crystallise in the foreseeable future, we are confident our liabilities are being managed and do not have a significant impact on our finances.

The pension deficit on the Buckinghamshire LGPS is not likely to crystallise in the foreseeable future and the past service deficit liability for the SHPS is subject to an annual payment arrangement. Note 10 of the financial statements provides further detail on how these liabilities are managed and protections that are in place to cover any liability should relevant contracts be terminated early.

**Performance of subsidiary:**

Amber Housing reported a surplus of £53k (2020: £5k). Their total funds are £1,554k (2020: £1,501k) with designated reserves at 31 March 2021 of £156k (2020: £159k) recognising the future property liabilities they have relating to both owned and leased houses. (Further details can be found in note 13).

**Risk statement and management**

The Trustees recognise their responsibility for risk management in Ambient and its subsidiary Amber Housing, and are advised of the major risks by the Executive Team at each Board meeting and in the relevant sub-committee meetings. Trustees are satisfied that they have sufficient controls in place to avoid any major exposure to risk associated with the operation of the care and support services, and the financial affairs of the Charity and its subsidiary. Operational management are responsible for local risk assessments and action plans as they would directly impact on provision of services to people within their area of responsibility.

The risk register of Ambient includes risks under four headings which are Quality, Profitability, Development and Other. The schedule identifies the following risks as being the principal risks:

- **Quality** – the greatest risks relate mainly to those that involve working with individuals with increasingly complex needs and the importance of having a highly skilled staff team to work effectively and safely with individuals presenting this high level of need. These risks are further mitigated by having best practice policies in place (e.g. PBS, Living Well framework), conducting comprehensive risk assessments prior to admission and regular Quality Assurance reviews, reviewing accident/incident/safeguarding data, monitoring instances of reduced care packages, and ensuring the appropriate level of staff training is in place. Recruitment and retention remain key sector issues, and the challenges associated with these can in some instances lead to a higher than desirable use of agency. This is mitigated by the recent centralisation of the Recruitment Team, introducing targeted recruitment initiatives, ensuring ongoing supervision, support and easy access to training for all staff, and working with staff on development pathways.

- **Profitability** – even without the additional pressure of a global pandemic, a key financial risk during the year remains the general economic climate for social care funding and the implications this has on our ability to recruit and retain staff and to receive adequate income against our costs from Local Authority funded packages of care and support, to ensure sustainability. The risk of financial exposure and eroding margins, due to, for example, cuts to the volume of care support hours, changes from block to spot arrangements, increasing staff costs (legislative wages/pensions), remains. An increasing financial risk relates to void levels and the related loss of income in some of our older people services, especially post Covid (also see “Other - the unprecedented Covid pandemic” below). This is mitigated by our use of customer focused marketing, investment in service infrastructure, focus on health and safety and infection control, streamlining of referrals and admissions, and maintaining our pro-active relationships with Commissioners and contracts departments. There is also a risk of high agency costs related to recruitment and retention difficulties in some areas, although this has been mitigated by our on-going positive relationship with a neutral vending organisation to address this issue. We mitigate the financial risks by closely monitoring our reserves position, and our profitable pricing approach and contract negotiation seeks to reduce the instances of delivering non-sustainable loss-making services. We have set budgets and plans against which we monitor our performance, and variations against these will be quickly seen and remedial action taken. We also produce regular forecasts and financial models, which monitor potential impacts on our finances in future periods, and these are shared with and discussed at trustee meetings. Our constant monitoring mechanisms (see “Other - the unprecedented Covid pandemic” below) ensures we identify any issues quickly which enables a quick mitigating response.
- **Development** – the opportunities for service growth are available through Local Authority tender routes, and for more specialist start-up services in areas to meet local need. With increasing pressure on Local Authority finances, there is a risk this can translate to additional financial risks for a service provider, for example with tighter contract margins and greater responsibility for voids, which might ultimately make services unsustainable. Therefore, we seek to ensure we only tender for contracts that are deemed financially sustainable, and we have embedded a robust governance process and multi discipline project management approach to tendering and new service start-ups.
- **Covid-19 related risks** – the unprecedented Covid pandemic has highlighted a number of potential risks, including: risks to the welfare and wellbeing of our staff and the people we support; DNAR (do-not-resuscitate order) processes being circumvented; reputational risks; under reporting of incidents and safeguards; robustness of our IT framework and resourcing to deal with the pandemic and supporting more staff working remotely. In response, we have established a business continuity Covid monitoring group that meets on a regular basis and monitors latest guidance and best practice, and reports regularly to the Board; additional monitoring of the situation through the Quality Group, monthly management accounts reviews and quarterly performance reviews; we have put full infection control procedures in place and ensured we have adequate stocks of PPE across our schemes; instigated virtual quality assurance visits; made additional investment in staff, infrastructure, and technology to better support the organisation during the pandemic.
- **Sleep-in decision** - the long waited decision of the Supreme Court in relation to sleep-in pay finally came in just before the end of the financial year, and an appeal to have workers paid at least National Living Wage (NLW) whilst actually asleep was dismissed. This decision finally removes any potential contingent liability that we may have had in relation to sleep-in payments. We continue to remain fully compliant with National NLW legislation, including that which is currently applicable to sleep-in payments.
- **Brexit** – the introduction of a points-based immigration system post Brexit would potentially impact our labour supply. In mitigation, we continue to ensure our remuneration and learning and development offer remains competitive.

- Major contracts – the contract with Buckinghamshire County Council is a major contract with longevity in its arrangements, and poses a significant risk around financial sustainability. However, we have made good progress working closely with the council to ultimately ensure that the contract meets all the necessary requirements. It should cover all aspects of the Care Act and have a mechanism in place to ensure sustainable funding methodology to include future employment liabilities. We have seen introductions of National Living Wage, auto enrolment pension and the apprenticeship levy, all outside of the initial scope, and referrals of individuals requiring care with greater levels of dependency and needs, and we require the contract arrangements to be fit for the future.
- Health and Safety - we are working through some fire safety compliance issues in one area, having obtained independent survey reports to establish required works and we are working very closely with the landlord, the local council and both the local Fire and Rescue department, as well as our own designated fire partner, to make the necessary improvements. Some of these improvements have already been made, and throughout, we have ensured that we have appropriate staffing levels in place to ensure the safety of clients, to the complete satisfaction of the fire partners involved.

Amber Housing – a separate risk register is shared with Ambient and this details any areas of concern. Failure with statutory compliance by a third-party landlord or provider remains the highest risk area, although this is mitigated by regular monitoring.

#### **Investment powers and policy**

Under the Articles of Association, Ambient has the power to invest its resources in any way the Trustees determine as if it were absolutely entitled to the assets of the Charity.

We have continued this year to retain surplus cash in bank deposit accounts. This gives us strength in our liquidity which we have seen is important to Local Authorities as many care providers are facing financial difficulties, exacerbated by the pandemic. It has also given us confidence to consider potential acquisitions as we have the working capital to take on new services. However, as the returns from cash related deposits remains low, we continually review our risk appetite and the potential for improvement in returns that other investment options, including property, can offer.

Ambient has a current investment in the form of a loan to Amber Housing of £192k, secured with charges over freehold properties (which are leased to people with learning disabilities). This remaining balance will be repaid over two years. (Note 14 of the financial statements provides more detail).

#### **Reserves policy and Going Concern**

The Trustees have reviewed the financial position of the Group during the year at each Business Improvement and Financial Performance Committee (BIFP) meeting, and each Board meeting, and consider this in relation to the expected increase in funds and known, and potential, liabilities.

As at 31 March 2021, the total funds held on a consolidated basis are £9,657k. This is made up of:

- £13,868k Unrestricted funds
- £156k Designated funds
- £75k Restricted funds
- £4,442k Pension reserve deficit

The restricted funds comprise various donations received for specific services. It is intended that these monies will be spent during the year for the direct benefit of those services.

The designated funds relate to liabilities expected on Amber Housing properties in the coming years.

## Ambient Support Limited

### Trustees' Report (continued)

#### For the year ended 31 March 2021

On 31 March 2021 the Group's "free reserves" (total reserves excluding restricted and designated funds, funds represented by fixed assets and funds represented by pension) were a surplus of £3,108k (2020: £4,438k surplus).

The target level of Group reserves has been determined based on maintaining sufficient reserves to cover fluctuations in each business area, the environment each operates in, and in meeting its obligations as they fall due. The approach to our reserves policy is to set a minimum level below which reserves should not fall of £5m, plus additional reserves relating to specific items identified that may impact reserves. On this basis, the current General Reserve Target is £8.7m, made up as follows:

General reserve – Total unrestricted reserves (including pension deficit and fixed assets)	£5.0m
Growth development and investment fund (including investment posts, and additional Covid funds)	£0.9m
Risk of loss of significant contracts	£0.8m
Regulator breaches, fines etc. Based on Risk Register (CQC, ICO, Home Office, H&S Executive, GDPR).	£0.7m
Reputational damage and consequential loss of core income – based on a potential loss of total income £3 m with a Risk Register Possible Likelihood score of 10%	£0.3m
Employment related matters	£0.1m
Reserve related to Bucks TUPE	£0.7m
Failure of a contractor/breach of contract	£0.2m
<b>Total General Reserve Target</b>	<b>£8.7m</b>

The current reserves level of £9.7m is above the General Reserve Target. In order to utilise excess reserves, the Trustees have agreed an investment plan including the Enterprise system and key strategic roles (e.g. in digital transformation, business development). In addition, due to the financial impact of the pandemic, future investments may initially be at a slightly slower pace than in previous periods.

The reserves policy is reviewed annually at the end of the financial year, or sooner if there are significant changes in the risk register requiring a change to the level of reserves held by the Charity.

The Trustees have considered the impact of the pandemic on the Group and have prepared the financial statements on a going concern basis as the level of reserves and the degree of volatility in income and costs are deemed sufficient to enable the Group to continue for the foreseeable future. The Group has on the whole been coping well in the current Covid climate, and any risks have been well discussed between the Executive and Trustees, and documented on the risk register, along with mitigating controls. Further details of the principal risks (refer to page 12) and future impact (refer to page 8) of the virus have been considered and are deemed acceptable.

The Trustees have reviewed the expected future budgets and plans, cash flows and liquidity of the Charitable Group and have discussed potential efficiency savings that might arise in future and the opportunities for growth across all services, and consolidation of some services, and are fully satisfied that the Group meets the "going concern" criteria.

#### Directors' Duties (s172)

In complying with their duties under s172 of the Companies Act 2006, to promote the success of the organisation for the benefit of its members as a whole, and to achieve its charitable purpose, Trustees have had regard to a number of factors, including the following:

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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**The likely consequences of any decision in the long term**

All key decisions that may have a significant impact on the long-term future of the Charity are discussed with Trustees at the relevant sub-committee as well as the Board. In respect of key on-going projects, initiatives or strategies, Trustees receive regular updates to ensure that there is an appropriate level of oversight. As any plans are developed, Trustees will have regular clear oversight of them, and a number of Trustee and Executive joint "away-days" were held during the year, to discuss and agree the strategic plan, priorities, and key issues.

**The interest of the organisation's employees**

Our staff are our most valuable and prized asset. They are Ambient.

A Workforce Development Strategy has been developed to support the delivery of the operational strategy, built around four key strategic themes:

**Inclusiveness**

- Foster a fully supportive and enabling culture
- Discrimination and unconscious bias are proactively addressed
- Ensuring our workforce is diverse and inclusive

**Engagement**

- Promoting staff engagement and active listening
- Using staff forums, networks and surveys support and enable staff through coaching and wellbeing

**Development**

- Offer well defined learning pathways
- Making above industry level of investment in learning and development
- Embedding professional leadership at all levels

**Recruitment**

- Recruiting for attitude, training for skill
- Best in class values based recruitment
- Streamlined recruitment to ensure best candidates

The strategy is supported by a detailed annual implementation plan with clear outcomes. Which is agreed and monitored via our Organisational Development and Resources (ODR) committee.

Ambient is strongly committed to engaging in a meaningful way with its workforce, and some examples of how this happens include:

- Quarterly Joint Staff Consultative Forum, where key issues are discussed and consulted on with staff representatives, including key challenges and business critical issues. A large section of the agenda is driven by the representatives and a number of Senior Officers attend, including the CEO. It is a vibrant and energetic discussion group.

- Staff conferences which pre-Covid had been held regionally on an annual basis, face to face, with interactive sessions and presentations, and attended by around 180-200 staff had to be postponed last year as a result of the global pandemic. Feedback on the value of our staff conferences has always been extremely positive, and we will be holding these again this year in the autumn, Covid permitting. Nevertheless, a number of online staff forums were held during the year with members of the executive team as part of our engagement strategy. Some sessions were learning events related to the pandemic, providing colleagues with support and an opportunity for reflection. The Charity also extended the offer through the Employee Assistance Programme through additional critical incident support for those services and teams that had been significantly affected by Covid outbreaks.
- An annual staff survey is conducted which results in both local and corporate action plans. The outcomes are quickly shared with colleagues and feedback is communicated in a "you said, we did" format. "Pulse" surveys also took place focussed on specific topics (e.g. Covid).
- Key points from the above staff interactions, as well as the impact of any major decisions affecting staff, are reported to Trustees via the Organisational Development and Resources sub-committee, and/or the Remuneration sub-committee, as well as the Board. Trustees receive regular updates on such things as remuneration, safeguarding, and health and safety, in relation to our workforce.
- Ambient give full and fair consideration to applications for employment made by disabled persons. All disabled applicants who meet the minimum criteria for a job vacancy will be granted an interview and Ambient will consider them based on their abilities. Consideration will be given to any reasonable adjustments which may be necessary and appropriate at the interview stage, including those which allow the use of technology which would assist the interview process. If employees were to become disabled whilst employed by us, we would ensure they were fully supported in continuing their employment with us wherever possible, and we would provide any additional training required. We fully support the training, career development and promotion of all disabled persons employed by us. Staff at Ambient who have a disability (as defined under the Equality Act) have the opportunity for ongoing support under the Ambient Support Disability Support Scheme for staff. Ambient will also make any reasonable adjustments to the workplace and to employment arrangements to ensure that a disabled person is not at any disadvantage when compared to a non-disabled person and support will be given on an ongoing basis with regular assessments of whether an individual's needs are being met.

#### Annual staff survey

Our latest annual Staff Survey was run in November 2020. We had a total of 512 responses (41% of our total staff team). Whilst this was lower than last year's response rate, the reduction in returns was not unsurprising given the unpredictable events of 2020.

The survey covered seven key themes: About You, My Role, Teamwork, Your Manager, Leadership, The Organisation and Diversity & Wellbeing.

The responses were very similar to the previous year, with some particularly positive responses:

- Just over 93% of respondents said they were satisfied with the learning and training opportunities provided to them.
- Over 83% of staff said that their manager's communication is open and honest.
- 92% of staff said that the Charity is run on strong values. This shows an increase of 2 percentage points on last year's results.

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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- In terms of diversity and wellbeing 82% of colleagues said they were satisfied that the Charity is concerned about the wellbeing of its employees - a 3 percentage point increase on last year's response.
- 78% of people that responded said they understood how their team contributes to the success of the Charity, with this figure seeing a slight improvement on last year's response.

The overriding issue highlighted by colleagues continued to be the subject of pay, in particular differentials for Team Leaders, both issues having been subsequently addressed, although with the National Living Wage increasing, basic pay and differentials will continue to be an ongoing pressure.

The subjects of Reward and Recognition was also highlighted in respondents' comments. We continue to provide funds for Regional Managers for Above Beyond the Call of Duty Awards (ABCD), which are given at a local level. We also ran the Covid Heroes Awards (in late 2020). However, we plan to introduce a more regular recognition scheme to supersede the previous 5i Awards scheme.

Given that each region in which we work has its own particular challenges, Regional Managers each developed a Staff Survey Action Plan, taking into account the survey results, reflecting and addressing those regional issues at a localised level.

Recognising how difficult and stressful it has been for our staff dealing with the pandemic, we have recently extended our contract with CiC, our Employee Assistance Programme (EAP), to ensure we can continue to provide staff with a host of support resources, including one-to-one counselling. In addition, we have begun a programme of resilience training for staff which will filter through to all levels of the Charity over the coming year. We also engaged a psychotherapist to deliver webinars to front line staff and managers focused on wellbeing needs arising from the pandemic. Clinician led critical incident type support was offered to staff groups in areas identified as needing additional support.

**The need to foster the organisation's business relationships with suppliers, customers and other key stakeholders**

The people we support are our key stakeholders. They are why we are here. They are at the centre of, and the focus of, everything we do. We engage with them in care planning, with regular and continual contact and feedback, with their family supporters, and with their GPs and other specialist care professionals involved in their support programme, to ensure we are continuing to give each person the personalised care and support that they desire. The care plans of the people we support are all individually discussed with them and/or their relatives, and regularly updated, so we can work towards the outcomes that are sought for each person, and provide them with the best possible care to support those outcomes. During the year, Trustees engaged in Covid-safe virtual visits (rather than the usual on-site visits) to schemes. These visits give Trustees the opportunity to engage directly with the people we support, as well as with our front-line service staff, so are a valuable tool in understanding how our clients and operational staff feel about the services we are providing, and identifying any potential issues and feeding those back to the Executive. Regional and other operational managers also regularly give presentations to Trustees about the services in their areas, often including various case studies, to help Trustees understanding of what's currently happening in that particular front-line.

Purchasers of our services, including Commissioners (CCGs and Local Authorities), are our key customers. We encourage feedback from customers so we can improve our services. e.g. re-shaping service delivery to fit with the requirements and finances of the purchaser, negotiating and agreeing the care support required for specific individuals, or groups of individuals with certain care needs, and agreeing pricing. We always seek to deliver high quality services, but frequently have to deliver to a tight price point. Trustees are regularly apprised at the Board and sub-committee meetings of our liaisons with our various customers, and of any particular current issues. These will come to light also in the presentations mentioned above, and are also reported in the quarterly dashboard performance reviews (covering all schemes across all regional areas and all client groups), which all Trustees have presented to them.

Our relationship with our supplier partners is key to our effectiveness in providing quality care services. For example, in relation to accommodation we do not own, we rely on third party landlords for quality property provision that is safe, well maintained, and appropriate for the people we support, and we liaise closely with them to ensure that this is the case. Any significant issues that might arise from time to time with particular suppliers are reported to Trustees. We also play an active and vital part within the communities of the key trade bodies that represent us (e.g. National Care Forum (NCF), Voluntary Organisations Disability Group (VODG)).

Regulators (e.g. CQC, HSE) are key stakeholders as we are legally obligated to operate under multiple regulatory regimes. We respond to regulatory reports and findings in a positive way as we always want to improve what we offer, and want to ensure that we continue to operate safe and quality services of the highest level. Regulatory reports are notified to Trustees, and are also reported as part of the quarterly dashboards and performance reviews mentioned above, so Trustees have early sight of any particular issues.

**The impact of the organisation's operations on the community and the environment**

Ambient is committed to building social capital within the communities in which it works. For example, Ambient Support's Community Engagement and Inclusion Services add flavour and colour to people's lives, helping to reduce the stigma and isolation of mental ill health.

These projects are an important part of our offering, and allow people to participate in meaningful and enjoyable activities, often together with friends and family, to boost confidence and to help build social and support networks. People who take part can expect to:

- Learn new skills and access training opportunities and further education.
- Build social networks and decrease feelings of social isolation.
- Have their voice heard and help to shape and plan the delivery of Ambient's mental health services.
- Gain support to join, or even start, a service user-led group.
- Build confidence that enables people to move towards employment or volunteering opportunities in their communities.

Current projects, now resuming after suspension during the pandemic, include:

- The Ambient Creative Arts Project: A creative arts project that allows people to explore their potential and creativity via the medium of ceramics.
- The Ambient Horticultural Project: A horticulture programme that supports wellbeing by involving people in the delivery of gardening services across South East London. Service users learn gardening and horticulture skills, which can assist them in returning to work or gaining future employment.
- Singing for Wellbeing: We partner with Harmony, a Bromley-based 'singing for wellbeing' group – open to people who use mental health services and their family and friends.

Case studies relating to these types of project are regularly presented at trustee meetings.

Please also see how we seek to reduce our environmental footprint in the "Streamlined energy and carbon reporting" on page 24 below.

**The desirability of the organisation maintaining a reputation for high standards of business conduct**

It is particularly important, given the nature of Ambient's work as a leading social care charity, and in liaising with the important stakeholder groups mentioned above, that we ensure the maintenance of our reputation of high standards of conduct in all our business dealings. Further, in relation to organisational risks, our risk registers are reviewed regularly by the Executive and at trustee committee meetings to determine any impacts arising from the meeting's discussions, including any impact that might relate to reputational risk, and factors that may mitigate those risks.

**The need to act fairly as between members of the organisation**

The Board collectively ensures that it acts fairly as between its members, and that all members act in the best interests of Ambient, focused on promoting the success of the organisation in meeting its charitable aims.

In doing so members will exercise independent judgment, reasonable skill, care, and diligence, and avoid (or declare where not avoidable), any conflicts of interest or conflicts of loyalty.

**GOVERNANCE**

**Structure, governance and management**

Ambient Support Limited is a Charity registered with the Charity Commission for England and Wales and a Company Limited by Guarantee (Charity No. 1135353 and Company No. 07211819). Ambient Support Limited has one active subsidiary: Amber Housing Limited - a Registered Co-operative and Community Benefit Society (Reference 30052R) and one dormant subsidiary: Amber Housing Ventures Limited – a private company limited by guarantee (Company No. 12181165).

As part of a Governance review which became effective from 1 January 2017, and in accordance with the recommendations of CC35 regarding unconflicted Board members, it was agreed that Trustees should not sit on more than one company within the Group as a Trustee. The role of co-optee was created whereby the skills and experience of an individual could be retained for a period by any part of the Group and they could attend Board meetings but would have no voting rights. The Ambient's Board can nominate and/or remove Trustees onto the Boards of its subsidiary and made the relevant changes in Amber Housing. All Trustee appointments are proposed and agreed by the Ambient Board, including those involving nomination to subsidiary Boards.

Ambient is governed by its Articles of Association which were last revised on 24 June 2020. It should have at least seven members and not more than 15, and they will act on a voluntary basis as Trustees and Directors under Company Law. As at 31 March 2021 it had 14 Trustees and one co-optee. Trustees of Ambient guarantee to contribute a sum not exceeding £1 to the assets of the Charity in the event of it being wound up. The Trustees had no beneficial interest in the charitable company. All Trustees are required to complete "fit and proper person" declarations to meet the requirements of the Care Quality Commission (CQC) and HMRC in order to fulfil their role. There are also no persons with significant control identified for Ambient, as all decisions are transacted through the Ambient Board with all Trustees involved.

Amber Housing is governed by its rules which were last revised on 1 January 2017. It should have at least six members and no more than ten, and they will act as Shareholders, and report to the Financial Conduct Authority as their regulating body. As at 31 March 2021 it had seven Shareholders (Board members) and three co-optees.

All Trustees/members are recruited through advertising the vacancies in suitable publications and online recruitment sites and the skills and experience required of the Trustees are determined by a review of the skills matrix for the Board also recognising a desire for some service user participation on the Board. As part of the Governance changes, all Trustees serving for Ambient or Amber Housing were issued with a new starting term date of 1 January 2017 and an initial term of either two or three years. The maximum term for service is two terms of three years each.

New Trustees undergo an induction during which their legal obligations are outlined by way of a meeting with the Chief Executive to go through the structure of the committees and decision making processes, together with the current business strategy and business plan; and with the Director of Finance to review the recent financial performance, the current budget and any other relevant financial forecasts. These sessions are complemented by visits to services at which they can meet and discuss issues with local operational staff. All Trustees are active in visiting services on an annual basis to see directly the benefit the Charity is bringing to the lives of the individuals they support. Trustees are encouraged to attend internal training courses which cover Safeguarding, Governance and Charity Law. Ongoing training is provided to ensure that all Trustees are familiar with Charity Commission guidance and changes to any statutory requirements that may impact on their role.

The Trustees operate a number of sub-committees to assist them in monitoring the performance of the Charity. The basis of the committee structure changed in 2017 and Amber Housing Board now meet separately to Ambient but have representation on each sub-committee which continue to operate on a group basis. The sub-committees each have their own terms of reference, and provide great value in their respective areas of expertise, doubly so during the pandemic given the importance of keeping the people we support safe, maintaining quality service delivery, supporting staff wellbeing, driving digital transformation, and maximising access to and use of Covid related grants. The sub-committees are as follows:

- Quality Improvement and Safety (QIS)
- Business Improvement and Financial Performance (BIFP)
- Organisational Development and Resources (ODR)
- Remuneration

All Trustees are covered in their role through an insurance policy which includes Trustee Indemnity cover. The cost is not separated as it is part of a comprehensive Social Welfare combined policy which includes the employer, public liability, medical malpractice and professional indemnity insurance including the management liability insurance which covers the Trustee role.

The day-to-day operation of the Charity is delegated to the Chief Executive – Mark Milton, and his respective Executive Management Team detailed as Senior Officers on pages 2 and 3. There are functional managers for each of the key areas of the business. In addition, service managers are registered with CQC where required.

The day to day operation of Amber Housing is delegated to their Chief Executive – Emelda Livette, who is accountable to the Board Members of Amber Housing and reports to the Chair of Amber Housing from April 2021 (previously reporting to the Chief Executive of Ambient).

The Trustees consider the Board of Trustees of Ambient, the senior officers employed by Ambient and the Chief Executive of Amber Housing comprise the key management personnel of the charitable Group. All Trustees give of their time freely and no Trustee received remuneration in the year.

The Remuneration Committee reviews the pay strategy for the senior staff. It maintains a watching brief on the wider employment market and the need to review all management salaries to ensure that talent can be recruited and retained to give the continuity and depth of skills required to achieve their objectives in coming years. The committee also advises the Chief Executive and the Executive Management Team on pay and rewards for the wider workforce.

The Trustees of each entity recognise the important role that all staff have in delivering the services we provide to the people we support. The training received by staff is much valued by them, and the achievement of both statutory training and specialist training to better meet the needs of people we support, forms part of our quarterly benchmark reporting for each entity. At a service level the staff are involved in team meetings at which they can input their ideas and discuss what is working well and what could be improved.

Trustees acknowledge that the pay in the care sector is relatively low, and the decision of central Government to introduce the National Living Wage is one that has benefitted a large number of our employees from April 2016 onwards. Equally in the last few years, changes to sleep-in payments have resulted in increased pay for many staff doing sleep-in shifts. The Charity offers a range of benefits to staff, which include access to training opportunities, and we are working to utilise the Apprenticeship Levy which was introduced in April 2017 at 0.5% of staff payroll above £3m per annum. An Employee Assistance Programme provided by Counselling in Companies (CiC) is available to all staff. The Joint Staff Consultative Forum functions effectively as a representative body and meets quarterly to discuss and review changes to HR practices.

Ambient values the diversification in their workforce. We are a Stonewall Diversity Champion (The Diversity Champions' programme is the leading employers programme for ensuring all staff including LGBTQ staff are free to be themselves in the workplace), a Mindful Employer (Mindful Employer provides organisations with easier access to information and support for staff who experience stress, anxiety, depression or other mental health conditions), and operates in accordance with the requirements of Disability Confident (The Disability Confident scheme aims to help employers make the most of the opportunities provided by employing disabled people). All staff undertake equal opportunities training and awareness as part of their induction programme, and managers are supported to understand what additional requirements are expected of them.

#### **Relationships with other organisations**

- Ambient has one trading subsidiary – Amber Housing whose legal structure is outlined on page 20. Amber Housing provide facilities management services to Ambient for properties it both owns and leases. They also provide Health and Safety services and advice for the Group. Amber Housing and Ambient have an Intragroup Agreement in place which covers their internal relationship, and how Amber Housing can support Ambient to grow its care and support services. Amber Housing also has a strategic plan designed to grow and develop its service offer with partners outside of the Group. The strategic plans of both organisations are presented to the Ambient's Board for approval and ratification. Ambient has financial oversight of the work of Amber Housing. Amber Housing's Chief Executive advises sub-committees such as BIFP on development opportunities, property acquisition and approach to investments.
- Amber Housing Ventures Limited is a dormant subsidiary of Ambient. It has not traded since incorporation.
- The Trustees of both Ambient and Amber Housing are required to disclose all related parties and any relevant interests to the Company Secretary. These are reviewed at least annually and held on the relevant company registers and shared with our Auditors and other organisations as required. At each Board and sub-committee meeting any Trustee conflicts of interest are required to be disclosed, and if significant then the Trustee may be asked to withdraw from any decisions where this conflict arises.

#### **Public benefit statement**

The Trustees have taken due regard of the Charity Commission's guidance on public benefit and comment on the main activities undertaken. Ambient works with beneficiaries who are defined by the consequences of old age, disability and illness. Trustees place no discretionary restriction on eligibility or access to services, and so the principles of the public benefit requirements placed on Ambient as a Charity are met, and are reviewed annually by all Trustees.

Amber Housing is not a Registered Charity so is not obliged to make a formal public benefit statement. However, it works with disadvantaged individuals providing affordable housing solutions, and would meet the requirements of the Charity Commission on public benefit.

At each Board meeting and when decisions are taken, the Chair of each entity ensures that any decisions and actions are taken for the public benefit.

**Objectives and activities**

The objects of Ambient, the Charity, as set out in its Articles of Association are:

- To relieve poverty by providing houses, hostels or accommodation and any associated amenities to people in necessitous circumstances.
- To relieve physical and mental illness, disability, poor health and old age by providing appropriate housing, accommodation, care, support and assistance with associated facilities and amenities.
- To relieve physical and mental illness, old age, disability, chronic illness and/or to relieve poverty by the provision of advice, training and assistance appropriate to the recipient's needs and by the provision of advice, training or assistance to other associations or organisations providing similar services.

The aims of the Charity are to support people from diverse backgrounds, who generally have only limited opportunity to participate meaningfully in their communities, despite having a range of abilities, skills and potential. This can be because of the ageing process, mental health issues or having learning and/or a physical disability. It is our aim to help each individual we support to live valued lives within their community and enable them to exercise independence and choice wherever possible.

Through the provision of flexible, person centred support packages that are designed to enable each individual to achieve their agreed outcomes, a variety of service models are offered. These include supporting people in a range of different settings including their own homes, supported living, residential services, short break services and extra care. A wide range of services can be provided including housing-related support, domiciliary care, community based day activities and outreach services. The service provision can be tailored for each type of client need. In essence, the package of support is built around the individual not the structure in which they live.

The objectives of Amber Housing closely align with those of Ambient, as they provide services that support individuals with a learning disability, mental health condition, or those that need support in older age. The services provided by Amber Housing for facilities management are agreed with officers of Ambient each year, and the cycle of repairs and capital renewals and related priorities are reviewed and agreed jointly.

## Ambient Support Limited

### Trustees' Report (continued)

For the year ended 31 March 2021

#### Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021

	2021	2020
Energy consumption used to calculate emissions (kWh)	6,267,606	6,126,897
Energy consumption breakdown (kWh)		
- Gas	4,751,464	4,456,125
- Electricity	1,440,706	1,415,234
- Transport fuel	75,436	255,538
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
- Gas consumption	870.28	819.35
- Owned transport - minibuses	-	4.35
	870.28	823.70
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
- Purchased electricity	305.91	329.95
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
- Business travel in employee owned vehicles	12.54	39.16
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>1,188.73</b>	<b>1,192.81</b>
<b>Intensity ratio</b>		
Tonnes CO <sub>2</sub> e per service user	1.15	1.09

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per service user.

#### Measures taken to improve energy efficiency

Ambient is fully committed in its responsibility to care for our environment and to minimise any adverse environmental impact relating to its activities. As a large employer (employing over 250 people) Ambient met its obligation to participate in the Government Energy Savings Opportunity Scheme (ESOS), and has received the formal report and is in the process of implementing the findings. Ambient holds a buildings related responsibility including informing external parties where the responsibility for performance is held. In trying to improve our environmental footprint at Ambient, we have a number of on-going initiatives. These include using recycled and recyclable materials wherever possible, having a recycling policy in our offices, offering our staff access to the cycle-to-work scheme, enhancing our online learning and training provision, and making Microsoft Teams and other video conferencing software accessible to our staff to reduce travel and its environmental impact. We also made an investment in heating and climate control at our new Head Office that will assist in the reduction of overall energy usage.

**Governance Code**

The Trustees have considered the new Charity Governance code which was launched in July 2017 and updated in late 2020. The code is designed to assist charities and their Trustees develop high standards of governance. The new version of the code starts with the assumption that all Trustees are committed to their Charity's cause and have joined its Board because they want to help the Charity deliver its purposes most effectively for public benefit and understand their roles and legal responsibilities as set out in the Charity Commission's guidance The Essential Trustee (CC3).

There are seven principles which make up the Code and each section includes recommended practice for larger and smaller charities:

- 1 Organisational purpose
- 2 Leadership
- 3 Integrity
- 4 Decision-making, risk and control
- 5 Board effectiveness
- 6 Diversity
- 7 Openness and accountability

The Trustees are making good progress in working towards the key recommendations included within the code. For example:

- to ensure its continuing effectiveness and Trustee accountability and integrity, the Board reviews its own performance and that of individual Trustees, including the Chair, every year
- the Board has worked to good effect to improve the diversity of its members, and also to improve the match of skills and experience to business requirements and organisational purpose
- new Trustees are limited to a maximum two terms of three years
- the Board operates with the presumption of openness, and there are robust policies in place for decision-making and for managing any potential conflicts
- Board review of the key risks and their mitigation is a standing agenda item at each Board meeting
- there is a strong emphasis on the leadership role of the Chair and Vice Chair in supporting and achieving good governance in general

**Fundraising**

The Charity does not use any external bodies to fundraise on its behalf. Any fundraising undertaken by the Charity was minimal in nature and undertaken at a local level by employees and supporters, and these activities are monitored by management and Trustees. We are subscribed to the Fundraising Preference Service and have received no complaints this year relating to fundraising activities (2020: none).

**Auditor**

RSM UK Audit LLP was reappointed as the charitable Group's auditor during the year.

**Statement as to disclosure of information to the auditor**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Ambient Support Limited**

**Trustees' Report (continued)**

**For the year ended 31 March 2021**

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The Trustees' Report and the incorporated Strategic Report were approved by the Trustees (Directors for the purposes of Company Law) on 29 September 2021 and duly signed on their behalf by:

David Brindle  
Chair

A handwritten signature in black ink, appearing to read 'D Brindle', written over a horizontal line.

04 October 2021

**Statement of Trustees' Responsibilities**

**For the year ended 31 March 2021**

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The Trustees (who are also directors of Ambient for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (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 Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBIENT SUPPORT LIMITED

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### Opinion

We have audited the financial statements of Ambient Support Limited (the 'parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBIENT SUPPORT LIMITED (continued)

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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 Directors' Report and the Strategic 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 or the Strategic Report included within the Trustees' 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.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBIENT SUPPORT LIMITED (continued)

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### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and parent charitable company operates in and how the Group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from internal/external tax advisers.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014, Care Quality Commission regulations and General Data Protection Regulation. We performed audit procedures to inquire of management whether the Group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The Group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBIENT SUPPORT LIMITED (continued)

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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.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 04 October 2021

Ambient Support Limited

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

		2021	2021	2021	2020	2020	2020
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	funds	funds	funds	funds	funds	funds
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations, legacies and grants	2	70	1,848	1,918	20	21	41
Charitable activities:	3						
Registered Services		16,680	-	16,680	17,699	-	17,699
Supported Living		14,164	-	14,164	15,454	-	15,454
Domiciliary & Community services		2,680	-	2,680	3,524	-	3,524
Property & Housing		1,311	-	1,311	1,468	-	1,468
Other		105	-	105	122	-	122
Other income	4	71	-	71	-	-	-
Investments	5	9	-	9	69	-	69
<b>Total income</b>		<b>35,090</b>	<b>1,848</b>	<b>36,938</b>	<b>38,356</b>	<b>21</b>	<b>38,377</b>
<b>Expenditure on:</b>							
Charitable activities:							
Registered Services		17,695	1,472	19,167	17,685	-	17,685
Supported Living		13,359	272	13,631	15,047	-	15,047
Domiciliary & Community services		2,744	105	2,849	3,587	-	3,587
Property & Housing		1,888	-	1,888	2,049	-	2,049
Other		12	15	27	-	20	20
<b>Total expenditure</b>	6	<b>35,698</b>	<b>1,864</b>	<b>37,562</b>	<b>38,368</b>	<b>20</b>	<b>38,388</b>
<b>Net (expenditure)/income</b>	7	<b>(608)</b>	<b>(16)</b>	<b>(624)</b>	<b>(12)</b>	<b>1</b>	<b>(11)</b>
<b>Other recognised (losses)/gains</b>							
Actuarial (loss)/gain on defined benefit pension schemes	10	(1,743)	-	(1,743)	2,594	-	2,594
<b>Net movement in funds</b>		<b>(2,351)</b>	<b>(16)</b>	<b>(2,367)</b>	<b>2,582</b>	<b>1</b>	<b>2,583</b>
<b>Reconciliation of funds</b>							
<b>Total funds brought forward</b>		<b>11,933</b>	<b>91</b>	<b>12,024</b>	<b>9,351</b>	<b>90</b>	<b>9,441</b>
<b>Total funds carried forward</b>	17	<b>9,582</b>	<b>75</b>	<b>9,657</b>	<b>11,933</b>	<b>91</b>	<b>12,024</b>

## Balance Sheet

As at 31 March 2021

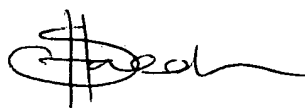
	Note	Group		Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed Assets</b>					
Intangible assets	11	417	-	417	-
Tangible assets	12	10,343	10,245	9,111	8,979
<b>Total fixed assets</b>		<u>10,760</u>	<u>10,245</u>	<u>9,528</u>	<u>8,979</u>
<b>Debtors:</b>					
Amounts receivable within one year	14	2,068	1,996	2,064	2,088
Amounts receivable after one year	14	-	-	96	192
Current asset investments		6,688	6,688	6,188	6,188
Cash at bank and in hand		1,916	3,745	1,679	3,325
		<u>10,672</u>	<u>12,429</u>	<u>10,027</u>	<u>11,793</u>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	(5,328)	(5,379)	(5,006)	(4,978)
<b>Net current assets</b>		<u>5,344</u>	<u>7,050</u>	<u>5,021</u>	<u>6,815</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(2,005)</u>	<u>(2,351)</u>	<u>(2,005)</u>	<u>(2,351)</u>
<b>Net assets excluding pension scheme liability</b>		<u>14,099</u>	<u>14,944</u>	<u>12,544</u>	<u>13,443</u>
Defined benefit pension scheme liability - LGPS	10	(2,283)	(1,872)	(2,283)	(1,872)
Defined benefit pension scheme liability - SHPS DB	10	(2,159)	(1,048)	(2,159)	(1,048)
<b>Total net assets</b>		<u>9,657</u>	<u>12,024</u>	<u>8,102</u>	<u>10,523</u>
<b>Funds</b>					
Unrestricted funds	17	13,868	14,683	12,469	13,341
Pension reserve	17	(4,442)	(2,920)	(4,442)	(2,920)
Designated funds	17	156	170	-	11
<b>Total unrestricted funds</b>		<u>9,582</u>	<u>11,933</u>	<u>8,027</u>	<u>10,432</u>
Restricted funds	17	75	91	75	91
<b>Total funds</b>		<u>9,657</u>	<u>12,024</u>	<u>8,102</u>	<u>10,523</u>

As permitted by s.408 of the Companies Act 2006, the Charity has not presented its own Statement of Financial Activities and related notes. The Charity's net deficit for the year was £678k (2020: Deficit £18k) and the net movement in funds was negative £2,421k (2020: £2,576k).

The financial statements were approved by the Board of Trustees and authorised for issue on 29 September 2021 by:



David Brindle  
Chair



Scott Haldane  
Treasurer

04 October 2021

# Ambient Support Limited

## Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
OPERATING ACTIVITIES			
Cash from operations	19	(513)	1,970
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		(513)	1,970
INVESTING ACTIVITIES			
Long Term Deposits		-	215
Investment income		9	69
Proceeds on disposal of tangible fixed assets		14	7
Purchase of tangible fixed assets		(1,141)	(2,581)
NET CASH USED IN INVESTING ACTIVITIES		(1,118)	(2,290)
FINANCING ACTIVITIES			
Repayments of borrowings - bank loan		(50)	(46)
Repayments of borrowings - other loans		(72)	(67)
Interest paid		(76)	(89)
NET CASH USED IN FINANCING ACTIVITIES		(198)	(202)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,829)	(522)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19	9,745	10,267
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>7,916</u>	<u>9,745</u>

## **1. ACCOUNTING POLICIES**

### *Charitable company information*

Ambient Support Limited is a private company limited by guarantee (company number 07211819) and a charity registered in England and Wales (charity number 1135353). Details of the registered office address are given on page 2 of the financial statements. The Group's operations and principal activities are described in the Trustees' Report and incorporated Strategic Report.

The following accounting policies have been applied consistently across the Group in dealing with items which are considered material in relation to the Group's financial statements.

### *Basis of accounting*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. They are drawn up in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) second edition effective 1 January 2019 and the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the Charity and Group. Monetary amounts in these financial statements are rounded to the nearest £'000 except where otherwise indicated.

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

The consolidated financial statements incorporate those of Ambient and its subsidiary company Amber Housing on a line by line basis. Amber Housing Ventures Limited, another subsidiary of Ambient, is a dormant company and is excluded from consolidation on the basis of being immaterial to the Group.

All the financial statements are made up to 31 March 2021.

All intra-group transactions, balances and unrealised gains on transactions with the subsidiary are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The parent body, under certain circumstances, has the power to appoint and remove the Board members of Amber Housing, thereby establishing a subsidiary relationship, which requires that their results should be consolidated with Ambient and so Amber Housing is deemed to be a subsidiary, as the parent body has ultimate control over Board membership.

The individual Charity financial statements of Ambient are included in these consolidated financial statements and in accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' – Interest income/expense and net gains/losses for each category of financial instrument

A separate Statement of Financial Activities and income and expenditure account are not presented in this report for the parent following the exemptions afforded by section 408 of the Companies Act 2006.

*Going concern*

The financial statements have been prepared on a going concern basis as the level of reserves and the degree of volatility in income and costs are deemed sufficient to enable the Group to continue for the foreseeable future. The Group has adequate cash and unrestricted reserves to settle liabilities as they fall due for a period of at least 12 months from the date of signing these accounts. The Group has on the whole been coping well in the current Covid climate, and any risks have been well discussed between the Executive and Trustees, and documented on the risk register, along with mitigating controls. As discussed in the Trustees' Report, shortly after the 2020 -2025 Plan had been approved by the Board the Covid pandemic took hold. The Board reassessed the plan in light of this and whilst resources needed to be devoted to the management of this crisis the ambition and aspiration of the plan should be retained. In response to the circumstances that the pandemic has created, we have established a business continuity Covid monitoring group that meets on a regular basis and monitors latest guidance and best practice and reports regularly to the Board. Based on their experience of the care sector, a review of business plans, forecasts and cash flow statements, the nature of the contracts in place for services, and regular risk reviews, the Trustees have determined that uncertainties linked to identified risks are containable. They do recognise that some judgement on future pension deficits is required, but the crystallisation of these is not immediate.

*Income*

All income, whether unrestricted or restricted, is credited to the Statement of Financial Activities when received or deemed receivable. Income is recognised on an accruals basis for services provided in accordance with any contractual obligations, and if income is received prior to the future period to which it relates or entitlement is assured, then income is deferred to the relevant period.

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

*Income from donations and legacies*

Income from donations and legacies is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Income is recognised on an accruals basis where conditions for entitlement have been met, there is probability of receipt (i.e. more likely than not) and the value can be measured with sufficient reliability. During the year, the Group has also received free PPE equipment in response to the Covid pandemic. Donated goods, services and facilities are included at open market value that Ambient would be willing to pay, where these are reasonably quantifiable and measurable. An equivalent amount is included as expenditure in the Statement of Financial Activities.

*Government grants*

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

*Expenditure*

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Support costs are corporate overheads incurred indirectly in the provision of services which are then apportioned on the basis of the income level for each type of service provided. The support costs include HR, finance, IT, payroll, training and administrative resources, and irrecoverable VAT where applicable. A liability is recognised when the Group is legally committed at the balance sheet date as a result of a past event.

Notes to the financial statements (continued)

For the year ended 31 March 2021

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Governance costs are included in support costs, and are those incurred to comply with constitutional and statutory requirements and include audit fees, legal fees, Trustees' expenses and Board and AGM meeting costs, including an allocation of officer time where deemed appropriate to support the Committee activity.

*Taxation*

The Charity transmogrified on 1 April 2010 from an Industrial and Provident Society (Registration: IP27739R) to a company limited by guarantee registered in England (No: 07211819) and a Registered Charity (No: 1135353). It is exempt from corporation tax in so far as the surplus derives from its charitable activities. It also operates a VAT group with its subsidiary.

The subsidiary, Amber Housing Limited, is a Society incorporated under the Co-operative and Community Benefit Society Act 2014 with charitable rules and is exempt from corporation tax on this basis.

*Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation. Items are only capitalised where the item value is £500 or greater, and has an expected useful life of over one year. Depreciation is charged over the expected useful economic lives of the assets less any residual value at the following rates:

Freehold and leasehold land and buildings	- 2% straight line or term of the lease if less (Freehold land is not depreciated)
Leasehold property alterations	- 10% straight line or term of the lease if less
Furniture, fittings and equipment	- 20% to 33.33% straight line
Computer equipment	- 33% straight line
Vehicles	- 25% straight line

Assets in the course of construction are not depreciated until they are brought into use.

*Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation, less any impairment. Items are only capitalised where the item value is £2,500 or greater, and has an expected useful life of over one year. Amortisation is charged over the expected useful economic lives of the assets less any residual value at the following rates:

Enterprise Care System	- 20% straight line
------------------------	---------------------

This represents the period over which the Trustees believe the intangible assets are expected to give rise to economic benefit.

Assets in the course of construction are not amortised until they are brought into use.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

*Cash and cash equivalents*

Cash and cash equivalents includes cash at bank and cash in hand and short term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account. Other deposits maturing in over 3 months are separated in the cash flow statement and disclosed separately under Current asset investments on the face of the Balance Sheet.

Current Assets include an amount under "cash at bank and in hand" which relates to bank accounts held in the name of Ambient holding funds on behalf of service users. A corresponding creditor balance is shown on the Balance Sheet.

**Notes to the financial statements (continued)**

**For the year ended 31 March 2021**

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*Leases*

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

*Employee benefits*

Employees are entitled, with management approval, to carry forward up to 5 days (or equivalent for part time staff) of any unused holiday entitlement at the reporting date. The annual leave year runs from 1 April to 31 March. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Termination benefits are payable when employment is terminated, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

*Retirement benefits*

Retirement benefits to employees are provided by the following pension schemes: Social Housing Pension Scheme (SHPS) - Defined Benefit; Social Housing Pension Scheme (SHPS) - Growth Plan; Social Housing Pension Scheme (SHPS) - Defined Contribution; NHS - Defined Benefit; London Borough of Sutton and Buckinghamshire Local Government Pension Schemes (LGPS) - Defined Benefit. The SHPS Defined Contribution is the only scheme open to new employees.

The defined benefit schemes are contracted out of the State Earnings Related Pension Scheme (SERPS) and the assets are held separately from those of the Group.

Social Housing Pension Scheme - Defined Benefit, is a multi-employer defined benefit scheme. It was previously accounted for as a defined contribution scheme in accordance with FRS 102, since sufficient information regarding the scheme was not available to use defined benefit accounting. On 1 April 2018 (the "effective date"), sufficient information became available to use defined benefit accounting.

The Social Housing Pension Scheme - Growth Plan, is a multi-employer defined benefit scheme which provides benefits to c. 950 non-associated participating employers. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme and contributions are recognised in income and expenditure in the period to which they relate.

The defined contribution Social Housing Pension Scheme that is currently open, meets the requirements for auto enrolment, and during the year, Ambient paid a 3% contribution for all eligible employees. Existing members of the defined contribution scheme at 1 December 2013 continue in the scheme with the employer contributions set at the rate agreed when they joined the scheme.

The NHS Pension Scheme is an unfunded, defined benefit scheme in which Ambient operates under a direction status given by the Secretary of State, which allows it to operate as the employing body of staff that were transferred under TUPE from the NHS in previous years. The contributions for employees and the employer are determined by the Government Actuary and are paid to the Exchequer which in turn meets the cost of paying benefits as and when they fall due. As stated in note 10 the NHS Pension Scheme is an unfunded multi-employer pension scheme operated on a pay-as-you-go basis. The NHS Pension Scheme is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**Notes to the financial statements (continued)**

**For the year ended 31 March 2021**

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*Retirement benefits (continued)*

The LGPS are funded schemes and the assets of the scheme are held separately from those of the Group. Pension assets are measured at fair value and the liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income included as part of staff costs are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. The net interest cost on the net defined benefit liability/asset is charged to net income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest) are recognised immediately in other recognised gains/(losses).

The subsidiary Amber Housing does not operate any pension scheme as it does not employ any staff directly.

Note 10 gives the latest actuarial information for the Group.

*Financial instruments*

The Charity has applied the provisions of Section 11 "Basic Financial Instruments" of FRS 102, in full, to all of its financial instruments.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

*Financial assets*

Basic financial assets, which include investments, are initially measured at transaction price including transaction costs and are subsequently carried at fair value.

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less amounts settled and less any impairment losses.

*Financial liabilities*

Basic financial liabilities, which include trade and other creditors, amounts owed to group undertakings and accruals, are initially measured at transaction price and subsequently measured at amortised cost, being transaction price less amounts settled.

Bank and other loans are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method. Under the effective interest method the interest expense is recognised at the effective interest rate which is the rate that exactly discounts future discounted payments through the expected life of the loan.

*Funds*

*Unrestricted general funds*

The general fund represents accumulated surpluses and deficits arising from the Charity's activities, which can be appropriated for any charitable purpose that is compatible with the Charity's objects. The purpose and use of the unrestricted general funds are set out in note 17.

*Unrestricted designated funds*

These comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the unrestricted designated funds are set out in the note 17.

**Notes to the financial statements (continued)**

**For the year ended 31 March 2021**

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*Funds (continued)*

*Restricted funds*

These represent income given for particular purposes or income that needs to be treated as restricted through reference to the objects of the Charity, net of related expenditure.

*Judgements and key sources of estimation uncertainty*

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The cost of the LGPS defined benefit pension plans with Buckinghamshire County Council and the London Borough of Sutton, and the SHPs scheme, have been determined by full actuarial valuations to 31 March 2019. These were carried out by qualified actuaries independent of the Charity. The actuarial valuations involved making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuations, the underlying assumptions and the long-term nature of the schemes, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, the management consider the market yield of AA corporate bonds consistent with the currency and term of the defined benefit obligation. The mortality rate is based on publicly available mortality tables, which uses data for UK self-administered pension schemes and allowing for unexpected future improvements in longevity. Future salary increases and pension increases are based on expected future inflation rates as determined by the Bank of England spot rate with a consistent term of the defined benefit obligation at the valuation date. Further details are given in note 10.

The Trustees have prepared the financial statements on a going concern basis. Due to the uncertainties surrounding the impact of Covid, this represents a judgement for the year ended 31 March 2021. The Trustees have made a number of judgements in respect of future forecasts for which actual results may vary.

<b>2. INCOME FROM DONATIONS, LEGACIES AND GRANTS 2021</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds £'000</b>
Donations	70	-	70
Donated goods	-	521	521
Grants	-	1,327	1,327
<b>Totals</b>	<b>70</b>	<b>1,848</b>	<b>1,918</b>

<b>INCOME FROM DONATIONS AND LEGACIES 2020</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds £'000</b>
Donations	20	21	41
<b>Totals</b>	<b>20</b>	<b>21</b>	<b>41</b>

During the year the Group received government assistance in the form of grants totalling £1,327k (2020: £nil) for Covid Infection Control, Rapid Testing and Work Force Development and donated goods relating to personal protective equipment for use within the Group of £521k (2020: £nil). There are no unfulfilled conditions or other contingencies attaching to these

### 3. INCOME FROM CHARITABLE ACTIVITIES

The Group's income from charitable activities is derived from the provision of services comprising care, support and housing in England to people who are older, have a learning disability or mental health need.

The arrangements the Group has with local authorities are changing in many areas from block contract to spot contracts in line with the move to personalisation of care and support services and self directed support. The Group does have significant partnership arrangements with Buckinghamshire County Council for older people's services; Lincolnshire County Council, Norfolk County Council, Leicestershire County Council, Staffordshire County Council for Learning Disability services; and London Borough of Bromley and London Borough of Newham for Mental Health Services, in addition to many other contracts with individuals and local authorities in England. Income and expenditure in relation to these contracts is accounted for when receivable.

### 4. OTHER INCOME

During the year the Group received government grants of £71k (2020: £nil) under the UK Government Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies attaching to these funds.

### 5. INCOME FROM INVESTMENTS

<b>Income from investments 2021</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds £'000</b>
Interest income from short and long term bank deposits	9	-	9
<b>Income from investments 2020</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds £'000</b>
Interest income from short and long term bank deposits	69	-	69

**6. EXPENDITURE****Total expenditure 2021**

	Registered Services £'000	Supported Living £'000	Domiciliary & Community services £'000	Property & Housing £'000	Support costs * £'000	Miscellaneous ** £'000	Total £'000
<u>Direct Costs</u>							
Staff costs	12,617	11,556	2,410	294	2,361	-	29,238
Non-staff costs	4,639	584	157	1,447	1,487	-	8,314
SHPS and LGPS pension adjustment	69	2	-	-	(292)	-	(221)
Governance costs	89	-	-	9	106	-	204
Restricted funds	-	-	-	-	-	15	15
Unrestricted Funds	-	-	-	-	-	12	12
Recharge support costs	1,753	1,489	282	138	(3,662)	-	-
Total expenditure on charitable activities	19,167	13,631	2,849	1,888	-	27	37,562

\* Support costs represent corporate overheads (HR/Finance/IT/Payroll/Training/Admin) and governance costs (audit fees, legal costs, Trustees' expenses and Board related meeting costs).

\*\* Miscellaneous costs represent ancillary expenditure that has been incurred and relates to Covid related donation income.

**Total expenditure 2020**

	Registered Services £'000	Supported Living £'000	Domiciliary & Community services £'000	Property & Housing £'000	Support costs * £'000	Miscellaneous ** £'000	Total £'000
<u>Direct Costs</u>							
Staff costs	12,069	13,031	3,021	256	2,147	-	30,524
Non-staff costs	3,610	543	233	1,654	1,621	-	7,661
SHPS and LGPS pension adjustment	127	13	-	-	(244)	-	(104)
Governance costs	207	-	-	-	80	-	287
Restricted funds	-	-	-	-	-	20	20
Recharge support costs	1,672	1,460	333	139	(3,604)	-	-
Total expenditure on charitable activities	17,685	15,047	3,587	2,049	-	20	38,388

\* Support costs represent corporate overheads (HR/Finance/IT/Payroll/Training/Admin) and governance costs (audit fees, legal costs, Trustees' expenses and Board related meeting costs).

\*\* Miscellaneous costs represent expenditure incurred which relates to restricted income.

**7. NET EXPENDITURE**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure is stated after charging:		
Depreciation of tangible fixed assets	601	528
Loss on disposal of tangible fixed assets	11	21
Operating lease rentals	1,769	1,744
Net interest on defined benefit pension liabilities (note 10)	66	128
Interest on bank loans measured at amortised cost	27	35
Interest on other loans measured at amortised cost	<u>49</u>	<u>54</u>

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non audit services are as follows:

Audit services - statutory audit of parent and consolidated accounts	40	32
Audit services - prior year costs	4	-
Other services:		
Audit services - statutory audit of subsidiary of the Charity	8	8
All other non-audit services	<u>10</u>	<u>9</u>
	<u>62</u>	<u>49</u>

**8. STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	21,779	22,561
Social security costs	1,640	1,787
Defined benefit pension costs (see note 10)	379	383
Defined contribution pension costs	576	617
Agency staff & other staff related costs	<u>4,864</u>	<u>5,176</u>
	<u>29,238</u>	<u>30,524</u>

Redundancy and compromise payments across the Group of £14k were paid in year (2020: £28k).

Eight Ambient employees are seconded full time to Amber Housing which meets the costs in full (2020: eight employees).

The average monthly number of staff employed during the year under contracts of service was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Senior managers and administrative staff	87	78
Care and activities staff	<u>1,142</u>	<u>1,295</u>
	<u>1,229</u>	<u>1,373</u>

The full time equivalent (FTE) number of staff would be lower as a number of staff work part-time and some casual staff are employed on zero hours contracts. The FTE is estimated at 1,114 staff for 2021 (2020: 1,020 staff).

# 8. STAFF COSTS (continued)

## Employees earning more than £60,000 per annum

	2021 Number	2020 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

Nil employees in 2021 (2020: nil) are member of the SHPS defined benefit scheme; 5 employees in 2021 (2020: 5) are members of the SHPS defined contribution scheme and Nil employee in 2021 is in the NHS Pension (2020: nil). Employer pension contributions for 2021 for the above employees were £nil in the defined benefit scheme (2020: nil); £nil in the NHS Pension (2020: £nil) and £27,975 in the defined contribution scheme (2020: £27,805).

## Key management personnel

Key management personnel include the Trustees and the following posts in Ambient: Chief Executive, Director of Finance, Director of Operations & Business Development, Director of People & Culture, Director of Sales, Marketing & Communications, Chief Information Officer. In Amber Housing it is the Chief Operating Officer (Chief Executive of Amber Housing from 1 April 2021).

The total employee benefits of the key management personnel of the Group during the year, which comprised salary, pension contributions and benefits in kind, was £567k (2020: £542k) and Employer's National Insurance of £67k (2020: £64k).

The total employee benefits of the key management personnel of the Charity during the year, which comprised salary, pension contributions and benefits in kind, was £498k (2020: £473k) and Employer's National Insurance of £59k (2020: £57k).

No trustees received any remuneration during the period (2020: nil).

# 9. TRUSTEES' EXPENSES AND RELATED PARTY TRANSACTIONS

Travel and other out of pocket expenses were reimbursed or paid to third parties on behalf of members of the Board of Trustees for travel to Board meetings and other Charity related activities. These amounted to £1,481 in 2021 for 10 Trustees (2020: £19,047 for 12 Trustees).

Ambient has purchased £531k of facilities management services during the year (2020: £485k) from Amber Housing, a subsidiary. The following amounts are paid by Amber Housing to Ambient: a management fee of £53k per annum (2020: £55k); interest charge of £6k (2020: £10.6k); lease payments of £4.6k (2020: £7.8k); Gardening charge of £8.7k (2020: £9.8k). During the year, Ambient made purchases on behalf of Amber Housing and paid staff on secondment to the subsidiary totalling £351k (2020: £326k). The amount owed by Amber Housing at the year end is £212k (2020: £392k) including the outstanding loan which is detailed in note 14.

Notes to the financial statements (continued)

For the year ended 31 March 2021

**10. RETIREMENT BENEFITS**

The Charity operates several pension funds for its staff and details of these are disclosed below. The employer contributions for 2021/22 are expected to be c. £958k across all pension schemes, and include the auto enrolment employer pension contribution increasing to 3%.

Contributions amounting to £162k (2020: £153k) were payable to the schemes at 31 March 2021 and are included within other creditors.

The table below shows the net pension liabilities which are shown in the Balance Sheet and are detailed in the notes that follow:

	2021 £000's Group and Charity	2020 £000's Group and Charity
Social Housing Pension Scheme (SHPS) (note a)	2,159	1,048
Buckinghamshire County Council - LGPS (note b)	2,152	1,824
London Borough of Sutton - LGPS (note c)	131	48
Total liability	<u>4,442</u>	<u>2,920</u>

**a) Social Housing Pension Scheme (SHPS) – Defined Benefit**

Ambient participated in the Social Housing Pension Scheme (SHPS) which was a multi-employer defined benefit scheme up to 31 March 2016 at which time it was closed and the remaining 6 active employees were transferred to the SHPS defined contribution scheme on terms agreed as part of a consultation process. The SHPS is a funded multi-employer defined benefit pension scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 March 2021 was £325k (2020: £320k), of which employer's contributions totalled £325k (2020: £320k) and employees' contributions totalled £nil (2020: £nil).

# 10. RETIREMENT BENEFITS (continued)

The latest full actuarial valuation was carried out as at 30 September 2017, with the next due to be published in 2021.

## Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 30 September 2017 updated to 31 March 2021 by a qualified independent actuary:

	2021 %	2020 %
Rate of increase in salaries	3.9	2.7
Rate of increase for pensions in payment	3.9	2.7
Discount rate for scheme liabilities	2.1	2.4
Inflation assumption (CPI)	2.9	1.7
Inflation assumption (RPI)	3.3	2.7

The assumed life expectations on retirement age 65 are:

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.5
Females	23.5	23.3
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	25.1	24.5

The Charity's share of the assets in the scheme:

	Fair value of assets	
	2021 £'000	2020 £'000
Equities	4,570	4,836
Property	422	373
Alternative assets	393	664
Hedge funds	1	6
Absolute return portfolio	576	495
Other	4,482	3,129
Total fair value of assets	10,444	9,503

Amounts recognised in the Statement of Financial Activities:

	2021 £'000	2020 £'000
Net interest cost	22	64
Administration expenses	11	12
Total charge	33	76

Amounts recognised in other recognised gains and losses:

	2021 £'000	2020 £'000
Return on plan assets in excess of interest	779	77
Change in demographic assumptions	(47)	109
Change in financial assumptions	(2,330)	1,329
Experience gain on defined benefit obligation	195	120
Total other recognised (loss)/gain	(1,403)	1,635

**10. RETIREMENT BENEFITS (continued)**

Changes in the present value of defined benefit obligations:	2021 £'000	2020 £'000
At 1 April	10,551	12,139
Administration expenses	11	12
Interest cost	248	275
Actuarial loss/(gain)	2,182	(1,558)
Benefits paid	(389)	(317)
At 31 March	<u>12,603</u>	<u>10,551</u>
Changes in the fair value of Charity's share of scheme assets:	2021 £'000	2020 £'000
At 1 April	9,503	9,212
Interest income	226	211
Return on plan assets (excluding net interest on the net defined pension liability)	779	77
Employer contributions	325	320
Benefits paid	(389)	(317)
At 31 March	<u>10,444</u>	<u>9,503</u>

The total return on scheme assets was £1,005k (2020: £288k).

**b) Buckinghamshire County Council - LGPS**

Staff who transferred from Buckinghamshire County Council to become employees of the Charity were admitted to the Buckinghamshire County Council Pension Fund ("the Fund"), a defined benefit scheme, which is administered by Buckinghamshire County Council under the regulations governing the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 March 2021 was £57k (2020: £58k), of which employer's contributions totalled £47k (2020: £48k) and employees' contributions totalled £10k (2020: £10k). The agreed contribution rates for the future years are 26.8% for employers and between 5.5% to 6.5% for employees.

The latest full actuarial valuation was carried out as at 31 March 2019, with the next due to be published in 2023.

**Principal actuarial assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2021 by a qualified independent actuary:

	2021 %	2020 %
Rate of increase in salaries	3.9	2.9
Rate of increase for pensions in payment	2.9	1.9
Discount rate for scheme liabilities	2.0	2.4
Inflation assumption (CPI)	2.9	1.9
Inflation assumption (RPI)	3.3	2.8

The assumed life expectations on retirement age 65 are:	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	25.0	25.1
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.4	26.5

## Notes to the financial statements (continued)

For the year ended 31 March 2021

## 10. RETIREMENT BENEFITS (continued)

The Charity's share of the assets in the scheme:

	Fair value of assets	
	2021	2020
	£'000	£'000
Gilts	813	647
Equities	5,273	3,963
Other bonds	1,310	1,385
Property	527	553
Cash	128	183
Alternative assets	111	59
Hedge funds	423	381
Absolute return portfolio	396	351
Total fair value of assets	<u>8,981</u>	<u>7,522</u>

Based on the above allocation, Ambient's share of the assets of the fund is less than 1%.

## Amounts recognised in the Statement of Financial Activities:

	2021	2020
	£'000	£'000
Current service cost	66	108
Net interest cost	43	60
Administration expenses	7	7
Total charge	<u>116</u>	<u>175</u>

## Amounts recognised in other recognised gains and losses:

	2021	2020
	£'000	£'000
Return on plan assets in excess of interest	1,581	(479)
Change in demographic assumptions	101	19
Change in financial assumptions	(2,066)	823
Experience gain on defined benefit obligation	125	248
Other actuarial gains	-	202
Total other recognised (loss)/gain	<u>(259)</u>	<u>813</u>

## Changes in the present value of defined benefit obligations:

	2021	2020
	£'000	£'000
At 1 April	9,346	10,406
Current service cost	66	73
Past service cost	-	35
Interest cost	216	246
Employee contributions	10	10
Change in demographic assumptions	(101)	(19)
Change in Financial assumptions	2,066	(823)
Experience gain on defined benefit obligation	(125)	(248)
Benefits paid	(345)	(334)
At 31 March	<u>11,133</u>	<u>9,346</u>

## Changes in the fair value of Charity's share of scheme assets:

	2021	2020
	£'000	£'000
At 1 April	7,522	7,896
Interest income	173	186
Return on plan assets (excluding net interest on the net defined pension liability)	1,581	(479)
Administration expenses	(7)	(7)
Employer contributions	47	48
Employee contributions	10	10
Other actuarial gains	-	202
Benefits paid	(345)	(334)
At 31 March	<u>8,981</u>	<u>7,522</u>

# 10. RETIREMENT BENEFITS (continued)

The total return on scheme assets was £1,754k (2020: loss of £293k).

A requirement of the Local Government Pension Scheme is for transferee admitted bodies to obtain an indemnity bond to protect the fund should the contract terminate early leaving a funding deficit or pension strain cost. This is required by the Administering Authority of Buckinghamshire LGPS from Ambient. An indemnity bond meeting the requirements has been arranged by Ambient with Barclays Bank PLC for £688k who has a legal charge over a credit balance of the same amount held in a separate interest earning account with the bank in the name of Ambient Support Limited. This account is ring fenced money not accessible to Ambient. The value of £688k is shown within the current asset investments on the Balance Sheet as at 31 March 2021 (2020: £688k).

## c) London Borough of Sutton – LGPS

With effect from 1 April 2013, Community Options (now part of Ambient) became an admitted body to the London Borough of Sutton pension scheme when a transfer of staff under TUPE applied for a contract to provide services at Hillcroombe Road. The scheme has one active employee, four pensioners and four deferred pensioners. The LGPS is a funded defined benefit pension scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 March 2021 was £8k (2020: £8k), of which employer's contributions totalled £7k (2020: £7k) and employees' contributions totalled £1k (2020: £1k). The agreed contribution rates for the future years are 21.8% for employers and 6.5% for employees.

The latest full actuarial valuation was carried out as at 31 March 2019, with the next due to be published in 2023.

### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2021 by a qualified independent actuary:

	2021	2020
	%	%
Rate of increase in salaries	3.9	2.9
Rate of increase for pensions in payment	2.9	1.9
Discount rate for scheme liabilities	2.0	2.4
Inflation assumption (CPI)	2.9	1.9
Inflation assumption (RPI)	3.2	2.7

The assumed life expectations on retirement age 65 are:

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.8

The Charity's share of the assets in the scheme:

	Fair value of assets	
	2021	2020
	£'000	£'000
Gilts	229	219
Equities	978	700
Other bonds	120	100
Property	149	149
Cash	29	34
Absolute return portfolio	12	17
Total fair value of assets	1,517	1,219

Based on the above allocation, Ambient's share of the assets of the fund is less than 1%.

**10. RETIREMENT BENEFITS (continued)**

<b>Amounts recognised in the Statement of Financial Activities:</b>	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>£000's</b>
Current service cost	6	15
Net interest cost	1	4
Administration expenses	2	1
	<u>9</u>	<u>20</u>

<b>Amounts recognised in other recognised gains and losses:</b>	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>£000's</b>
Return on plan assets in excess of interest	289	(92)
Change in demographic assumptions	13	44
Change in financial assumptions	(401)	132
Experience gain on defined benefit obligation	18	108
Other actuarial loss	-	(46)
Total other recognised (loss)/gain	<u>(81)</u>	<u>146</u>

<b>Changes in the present value of defined benefit obligations:</b>	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>£000's</b>
At 1 April	1,267	1,523
Current service cost	6	15
Interest cost	29	37
Employee contributions	1	1
Actuarial loss/(gain)	370	(284)
Benefits paid	(25)	(25)
At 31 March	<u>1,648</u>	<u>1,267</u>

<b>Changes in the fair value of Charity's share of scheme assets:</b>	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>£000's</b>
At 1 April	1,219	1,342
Interest income	28	33
Return on plan assets (excluding net interest on the net defined pension liability)	289	(92)
Administration expenses	(2)	(1)
Employer contributions	7	7
Employee contributions	1	1
Actuarial loss	-	(46)
Benefits paid	(25)	(25)
At 31 March	<u>1,517</u>	<u>1,219</u>

The total return on scheme assets was £317k (2020: loss of £59k).

**10. RETIREMENT BENEFITS (continued)**

**d) SHPS - Growth Plan**

The growth plan is a registered occupational defined contribution pension scheme. It was established in 1946 as a general fund, and it has evolved to take into account changes in the law and economic circumstances. There are now four different series within the one scheme known as the Growth Plan, and it is closed to new employers. The Growth Plan Series 3 has been determined by legislation to be a defined benefit scheme. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The treatment of the Series 3 employer debt was reviewed under the Pensions Act 2011 and the Series 3 Growth Plan does create a liability for the employer if they cease to participate in the Plan or the Plan is wound up. A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. The level of funding has required a recovery plan to be put into place, and this aims to eliminate the deficit via a combination of additional contributions from employers and investment returns for the next year. The contributions agreed by Ambient under the recovery plan for the year from 1 April 2021 will be £2,942 (2020: £2,856) with total recovery plan contributions due of £11,626 (2020: £13,775).

**e) Pension Scheme under NHS Directives**

Staff that have transferred into Ambient employment as members of the NHS Pension Scheme, which is a statutory scheme with benefits guaranteed by law and paid for from the Exchequer, have had their pension protected under TUPE. The NHS Pension is a notional fund rather than a real one. Each year employees' and employer's contributions are notionally invested in government stocks recommended by the Government Actuary. This is an unfunded scheme and there can be no deficit or surplus to allocate on the wind up of the scheme or withdrawal from the scheme. The Charity has no liability for other employers in this scheme and the scheme operates on a pay as you go basis so there is no liability to recognise in respect of past service deficits.

The employer's pension costs charged to the Statement of Financial Activities during the year amounted to £77k (2020: £98k).

**f) Defined contribution pension scheme**

The Group operates a defined contribution pension scheme for all new qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund run by The Pensions Trust - SHPS. It is used to administer all the auto enrolment pension requirements. The employer's pension costs charged to the Statement of Financial Activities during the year amounted to £501k (2020: £464k).

**11. INTANGIBLE FIXED ASSETS****Group and Charity**

	Enterprise Care System £'000
<b>Cost</b>	
At 1 April 2020	-
Additions	417
At 31 March 2021	417
<b>Amortisation</b>	
At 1 April 2020 and 31 March 2021	-
<b>Net book value</b>	
At 31 March 2021	417
At 31 March 2020	-

Included within Enterprise Care System are £417k (2020: £nil) of assets currently under construction.

**12. TANGIBLE FIXED ASSETS****Group**

	Freehold Land & Buildings £'000	Leasehold Property Alterations £'000	Furniture Fittings & Equipment £'000	Computer Equipment £'000	Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 April 2020	9,488	2,797	1,328	1,469	202	15,284
Additions	-	207	262	255	-	724
Disposals	-	(5)	(57)	(10)	-	(72)
At 31 March 2021	9,488	2,999	1,533	1,714	202	15,936
<b>Depreciation</b>						
At 1 April 2020	1,013	1,623	995	1,223	185	5,039
Charge for the year	172	162	176	81	10	601
Disposals	-	-	(39)	(8)	-	(47)
At 31 March 2021	1,185	1,785	1,132	1,296	195	5,593
<b>Net book value</b>						
At 31 March 2021	8,303	1,214	401	418	7	10,343
At 31 March 2020	8,475	1,174	333	246	17	10,245

Details of assets pledged as security for liabilities are disclosed in note 16.

**Charity**

	Freehold Land & Buildings £'000	Leasehold Property Alterations £'000	Furniture Fittings & Equipment £'000	Computer Equipment £'000	Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 April 2020	8,166	2,741	1,547	1,465	202	14,121
Additions	-	207	250	255	-	712
Disposals	-	(5)	(40)	(10)	-	(55)
At 31 March 2021	8,166	2,943	1,757	1,710	202	14,778
<b>Depreciation</b>						
At 1 April 2020	868	1,613	1,255	1,221	185	5,142
Charge for the year	152	158	166	80	10	566
Disposals	-	-	(33)	(8)	-	(41)
At 31 March 2021	1,020	1,771	1,388	1,293	195	5,667
<b>Net book value</b>						
At 31 March 2021	7,146	1,172	369	417	7	9,111
At 31 March 2020	7,298	1,128	292	244	17	8,979

Freehold land & buildings includes land of £667k (2020: £667k) for the Charity and £972k (2020: £972k) for the Group. The land value has been calculated based on "deemed cost" under FRS102.

Included within computer equipment are £172k (2020: £nil) and within furniture, fittings and equipment are £109k (2020: £nil) of assets currently under construction within the Charity and Group.

## Ambient Support Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2021

#### 13. SUBSIDIARY UNDERTAKINGS

Ambient Support Limited owns 100% of Amber Housing Limited, a Co-operative and Community Benefit Society (company number IP30052R). It has charitable exemptions and is part of the same VAT group as Ambient Support Limited. It has the same Registered Office address which is the same as stated for Ambient Support Limited on page 2.

Amber Housing Limited provides accommodation to people who are disadvantaged, and facilities management and other housing services on property owned or leased by the Group and for some other external landlords.

The net assets and results of Amber Housing Limited are as follows:

	2021 £'000	2020 £'000
Aggregate assets as at 31 March	2,116	2,247
Aggregate liabilities as at 31 March	(562)	(746)
Funds as at 31 March	1,554	1,501
Income for the year ended 31 March	1,875	2,008
Expenditure for the year ended 31 March	(1,822)	(2,003)
Surplus for the year ended 31 March	53	5

Amber Housing Ventures Limited was incorporated as a subsidiary of Ambient Support Limited in 2019-20. This subsidiary has not traded since incorporation.

#### 14. DEBTORS

##### AMOUNTS RECEIVABLE WITHIN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	1,103	1,443	982	1,328
Amounts owed by group undertakings	-	-	129	220
Other debtors	42	67	41	67
Prepayments and accrued income	923	486	912	473
	2,068	1,996	2,064	2,088

##### AMOUNTS RECEIVABLE AFTER ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts owed by group undertakings	-	-	96	192

Ambient financed the start-up of its subsidiary, Amber Housing, and transferred two properties to it at cost, which they now lease to people with a Learning Disability. There is an agreement that covers the basis of the arrangement. The value of the loan outstanding to Ambient is secured with a charge over these properties, and loan interest is paid on the value outstanding at a rate of 2% above Bank of England base rate. Each year the Trustees of Ambient review the terms of the loan, and have agreed with the Board of Amber Housing that the loan will be repaid over 10 years at £46k per year starting in 2013/14. An additional loan of £250k was made to Amber Housing to assist them with the purchase of 2 more properties, which are now leased out to people with learning disabilities. The total balance outstanding of £192k (2020: £384k) will be repaid over 2 years.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loan	52	50	52	50
Other loans	76	71	76	71
Trade Creditors	985	595	840	462
Amounts owed to group undertakings	-	-	13	3
Taxation and social security	440	388	441	375
Other creditors	1,574	1,425	1,561	1,408
Accruals and deferred income	2,201	2,850	2,023	2,609
	<u>5,328</u>	<u>5,379</u>	<u>5,006</u>	<u>4,978</u>

Included within other creditors are amounts of £1,074k (2020: £895k) relating to cash which is held on behalf of residents.

The deferred income represents the value of income invoiced or payments received relating to services yet to be provided.

Analysis of movement in deferred income:

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Brought forward	308	661	308	661
Released from previous periods	(308)	(661)	(308)	(661)
Deferred in the current year	183	308	183	308
Carried forward	<u>183</u>	<u>308</u>	<u>183</u>	<u>308</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank Loan	950	1,002	950	1,002
Other Loans	644	720	644	720
Other creditors	411	629	411	629
	<u>2,005</u>	<u>2,351</u>	<u>2,005</u>	<u>2,351</u>

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000

Included in creditors are:

Amounts repayable by instalments falling due after five years	<u>1,015</u>	<u>1,170</u>	<u>1,015</u>	<u>1,170</u>
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In accordance with the contract with Buckinghamshire County Council a sum of £5.3 million was paid to Ambient in July 2005 to cover the cost of the protected pay for staff transferred on Bucks County Council terms for the life of the contract. The contract length is 30 years, and the formula used for calculation assumes staff turnover and price escalations to estimate a sum transferable to incoming resources under registered services for each year. The sum of £631k shown at present value should be sufficient to meet the obligations as they fall due. Of this balance £221k (2020: £235k) is included within creditors due within one year.

The outstanding balance as at 31 March 2021 from the bank loan of £1.3 million with the Charity Bank is £1,002k (2020: £1,052k). The loan is for a term of 25 years, was at a fixed interest rate of 6.5% which was reviewed by the Trustees and moved to a lower variable rate from 01/11/2016 of 2.5% above base rate, and security has been given in the form of a charge over the two properties located at the site; namely 20 Chilwell Road and 1 Devonshire Avenue. The properties have been revalued by the bank during 2016-17 year, and the loan outstanding represents less than 50% of the value of the assets over which it has a charge and the amount falling due in more than one year is £950k (2020: £1,002k). In 2021/22 an amount of £77k (2021: £77k) is payable of which £25k (2020: £27k) is the interest charge.

## Notes to the financial statements (continued)

For the year ended 31 March 2021

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

There is a long term commitment with Riverside ECHG in connection with St Audrey's, a care home for frail elders located in Hertfordshire, which covers the cost of works undertaken as part of a capital leasehold improvement and as part of the lease agreement these improvement works are secured as a loan. The balance of £721k is outstanding as at 31 March 2021 (2020: £791k). The balances have been included within the creditors notes above. This agreement requires annual payments, including interest, of £121k (2020: £120k) until October 2028. The capital value due within one year is £76k (2020: £71k).

## 17. FUNDS

Group	As at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	As at 31 March 2021 £'000
General	14,683	35,090	(35,912)	-	7	13,868
Pension - BCC LGPS	(1,824)	-	(69)	(259)	-	(2,152)
Pension - SHPS	(1,048)	-	292	(1,403)	-	(2,159)
Pension - Sutton	(48)	-	(2)	(81)	-	(131)
<b>Designated funds</b>						
Ambient - Devonshire	11	-	(4)	-	(7)	-
Amber Housing - Property Fund	159	-	(3)	-	-	156
<b>Total unrestricted funds</b>	<u>11,933</u>	<u>35,090</u>	<u>(35,698)</u>	<u>(1,743)</u>	<u>-</u>	<u>9,582</u>
<b>Restricted funds</b>						
Reserves of Ambient	91	1,848	(1,864)	-	-	75
<b>Total restricted funds</b>	<u>91</u>	<u>1,848</u>	<u>(1,864)</u>	<u>-</u>	<u>-</u>	<u>75</u>
<b>Total funds</b>	<u>12,024</u>	<u>36,938</u>	<u>(37,562)</u>	<u>(1,743)</u>	<u>-</u>	<u>9,657</u>

The unrestricted general fund represents funds of the Group which are not designated for particular purposes.

The designated funds of £156k relates to Amber Housing and is to be used to meet the liabilities expected on their properties in the coming years.

The restricted funds for Ambient comprise various donations that have been received with reference to different services that we provide for use at that service. It is intended that these monies will be spent during the year for direct benefit of those services.

The transfer relates to release of designated funds which were unspent at March 2021. The fund was designated for use at Devonshire, which is a nursing home for people with a Learning Disability, and used to benefit the individuals living there with their transport and activities up to March 2021.

Charity	As at 1 April 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	As at 31 March 2021 £'000
<b>Unrestricted funds</b>						
General	13,341	33,856	(34,735)	-	7	12,469
Pension - BCC LGPS	(1,824)	-	(69)	(259)	-	(2,152)
Pension - SHPS	(1,048)	-	292	(1,403)	-	(2,159)
Pension - Sutton	(48)	-	(2)	(81)	-	(131)
Designated Funds	11	-	(4)	-	(7)	-
<b>Total unrestricted funds</b>	<u>10,432</u>	<u>33,856</u>	<u>(34,518)</u>	<u>(1,743)</u>	<u>-</u>	<u>8,027</u>
<b>Restricted funds</b>						
Donations for services	91	1,848	(1,864)	-	-	75
<b>Total restricted funds</b>	<u>91</u>	<u>1,848</u>	<u>(1,864)</u>	<u>-</u>	<u>-</u>	<u>75</u>
<b>Total funds</b>	<u>10,523</u>	<u>35,704</u>	<u>(36,382)</u>	<u>(1,743)</u>	<u>-</u>	<u>8,102</u>

## Notes to the financial statements (continued)

For the year ended 31 March 2021

## 17. FUNDS (continued)

Group - prior year	As at 1 April 2019 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers	As at 31 March 2020 £'000
<b>Unrestricted funds</b>						
General	14,657	38,356	(38,355)	-	25	14,683
Pension - BCC LGPS	(2,510)	-	(127)	813	-	(1,824)
Pension - SHPS	(2,927)	-	244	1,635	-	(1,048)
Pension - Sutton	(181)	-	(13)	146	-	(48)
<b>Designated funds</b>						
Ambient - Devonshire	22	-	(11)	-	-	11
Ambient - T&C's review	75	-	(50)	-	(25)	-
Amber Housing - Property Fund	215	-	(56)	-	-	159
<b>Total unrestricted funds</b>	<u>9,351</u>	<u>38,356</u>	<u>(38,368)</u>	<u>2,594</u>	<u>-</u>	<u>11,933</u>
<b>Restricted funds</b>						
Reserves of Ambient	90	21	(20)	-	-	91
<b>Total restricted funds</b>	<u>90</u>	<u>21</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>91</u>
<b>Total funds</b>	<u>9,441</u>	<u>38,377</u>	<u>(38,388)</u>	<u>2,594</u>	<u>-</u>	<u>12,024</u>
<b>Charity - prior year</b>						
	As at 1 April 2019 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	As at 31 March 2020 £'000
<b>Unrestricted funds</b>						
General	13,378	37,266	(37,328)	-	25	13,341
Pension - BCC LGPS	(2,510)	-	(127)	813	-	(1,824)
Pension - SHPS	(2,927)	-	244	1,635	-	(1,048)
Pension - Sutton	(181)	-	(13)	146	-	(48)
Designated Funds	97	-	(61)	-	(25)	11
<b>Total unrestricted funds</b>	<u>7,857</u>	<u>37,266</u>	<u>(37,285)</u>	<u>2,594</u>	<u>-</u>	<u>10,432</u>
<b>Restricted funds</b>						
Donations for services	90	21	(20)	-	-	91
<b>Total restricted funds</b>	<u>90</u>	<u>21</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>91</u>
<b>Total funds</b>	<u>7,947</u>	<u>37,287</u>	<u>(37,305)</u>	<u>2,594</u>	<u>-</u>	<u>10,523</u>

## Notes to the financial statements (continued)

For the year ended 31 March 2021

## 18. ANALYSIS OF NET ASSETS BETWEEN THE FUNDS

Group	Unrestricted general funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	10,760	-	-	10,760
Current assets	10,441	156	75	10,672
Current liabilities	(5,328)	-	-	(5,328)
Non-current liabilities	(2,005)	-	-	(2,005)
Pension scheme liability	(4,442)	-	-	(4,442)
Net assets at 31 March 2021	9,426	156	75	9,657

Charity	Unrestricted general funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	9,528	-	-	9,528
Current assets	9,952	-	75	10,027
Current liabilities	(5,006)	-	-	(5,006)
Non-current liabilities	(2,005)	-	-	(2,005)
Pension scheme liability	(4,442)	-	-	(4,442)
Net assets at 31 March 2021	8,027	-	75	8,102

Group Prior year	Unrestricted general funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	10,245	-	-	10,245
Current assets	12,168	170	91	12,429
Current liabilities	(5,379)	-	-	(5,379)
Non-current liabilities	(2,351)	-	-	(2,351)
Pension scheme liability	(2,920)	-	-	(2,920)
Net assets at 31 March 2020	11,763	170	91	12,024

Charity Prior year	Unrestricted general funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Fixed assets	8,979	-	-	8,979
Current assets	11,691	11	91	11,793
Current liabilities	(4,978)	-	-	(4,978)
Non-current liabilities	(2,351)	-	-	(2,351)
Pension scheme liability	(2,920)	-	-	(2,920)
Net assets at 31 March 2020	10,421	11	91	10,523

## 19a. RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATIONS

	2021 £'000	2020 £'000
Net expenditure	(624)	(11)
Adjustments for:		
Depreciation of tangible fixed assets	601	528
Investment Income	(9)	(69)
Interest Payable	76	89
Loss on disposal of tangible fixed assets	11	21
Defined benefit pension schemes	(221)	(104)
Operating cash flows before movements in working capital	(166)	454
(Increase)/decrease in trade and other debtors	(71)	964
(Decrease)/increase in trade and other creditors	(276)	552
Cash from operations	(513)	1,970
<b>CASH AND CASH EQUIVALENTS</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Cash at bank and in hand	1,916	3,745
Current asset investments	6,688	6,688
Total per Balance Sheet	8,604	10,433
Less: Deposits maturing in more than 3 months	(688)	(688)
Cash and cash equivalents in the Statement of Cash Flows	7,916	9,745

Total of cash and cash equivalents and current asset investments shown on the Balance Sheet includes: the bond for Ambient with Buckinghamshire County Council LGPS of £688k (2020: £688k). It is held in notice accounts maturing in more than 3 months and are excluded from cash balances shown in the Statement of Cash Flows.

## 19b. ANALYSIS OF CHANGES IN NET DEBT

	At April 1 2020	Cash Flow	Other non-cash movements	At 31 March 2021
Cash at bank and in hand	3,745	(1,829)	-	1,916
Bank Loans	(50)	77	(79)	(52)
Other Loans	(71)	121	(126)	(76)
Debt Due within 1 Year	(121)	198	(205)	(128)
Bank Loans	(1,002)	-	52	(950)
Other loans	(720)	-	76	(644)
Debt due after 1 year	(1,722)	-	128	(1,594)
Total Net Debt	1,902	(1,631)	(77)	194

## 20. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases which all relate to property related agreements are as follows:

Group	2021 £'000	2020 £'000
In less than 1 year	1,363	1,405
In 2 - 5 years	3,272	3,459
Over 5 years	6,774	7,479
	11,409	12,343
<b>Charity</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
In less than 1 year	911	945
In 2 - 5 years	3,231	3,339
Over 5 years	6,774	7,479
	10,916	11,763

**21. CAPITAL COMMITMENTS**

Capital expenditure that had been contracted for at the balance sheet date but that has not been provided for in these financial statements is £414k (2020: £751k).