

Triangle Community Services Limited

Registered charity no. 1016437

Registered company No. 2698380

**Annual report and financial statements
for the year ended 31 March 2018**



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Chief Executive's introduction

Welcome to the 2017-18 Annual Report for Triangle Community Services (the Charity). This report shares our activities and progress over the last year, as well as setting out our plans for the future.

In common with the care sector as a whole, we have had a number of operational and financial challenges to respond to over the last year. We have made several difficult decisions in recent months, but all of these decisions have been taken with our future strategy in mind, and do not detract from our longer-term aims.

We have operated a number of large public authority contracts, in and around East London, for many years. Over recent years we have found it increasingly difficult to agree fees with the public authorities that allow us to deliver a surplus on these contracts and invest sufficiently in quality and in pay increases for our staff. As a result, we have taken the sad and difficult decision to withdraw from all significant public authority contracts, either during the financial year or shortly afterwards. The majority of the exits from services were achieved with staff and service users transferring to new providers, but some redundancies were unfortunately unavoidable.

We remain committed to providing day care and home care services where we can mitigate risks associated with public authority contracts by delivering a balance of private and contracted services.

Our vision for the future is for our home care and day care services to form part of a range of high-quality services and activities that are integrated within larger care hubs. These services will be both personalised to individual needs and integrated with local communities. The services and activities provided will be unique to each location and reflect the identified gaps in existing services and activities.

The Charity will work closely with its parent charity, Friends of the Elderly, to deliver these integrated services.

Here are some of my personal highlights for the year, which demonstrate how our strategy is translating into every day impact:

- Our Woking site became our first community engagement hub. We have supported our local staff from both Triangle and Friends of the Elderly services to form strong links to work better together for the benefit of service users in our care home, day care, home care and befriending services.
- In June 2017, the Friends of the Elderly 'Visiting Friends' service in the Woking area was transferred to Triangle to better link this community-based work to the Charity's home care and day care services. Following an evaluation of existing local services and support, we have developed a new team of Community Connector volunteers, to support older people in the local community to help grow their confidence and reconnect with their community.
- Facebook donated their time and resources to support the introduction of their Workplace internal communications tool. With a diverse and dispersed workforce, we have struggled to maintain good quality internal communications which are critical to sharing best practice and celebrating our achievements. The new tool was launched in July 2018 with phased roll-outs to services. We invited 180 members of to join Workplace and 70% (126 people) have claimed their accounts by September 2018, 70% of whom are active users.

Chief Executive's introduction (continued)

We commissioned an impact report on the Stroke Service run in Hackney and the City of London. This report confirmed that the service delivers great and measurable outcomes, both preventative and reactive: for example, a 'social' return of £3.94 to £4.96 for every £1 invested. This 'return' is the savings to society from early intervention to prevent strokes and support given to stroke survivors that improves recovery times and reduces the risk of a further stroke. Given the uncertainty over future funding, and our lack of expertise in this area outside of the immediate delivery team, we have agreed with the relevant public authorities that our contracts for running the Stroke Service will end in December 2018. However, the public authorities and Triangle are committed to finding an appropriate organisation to take on this valuable local service for the future.

The costs of service closures, as well as continued investment in growth in our remaining branches, have led to the Charity recording a deficit of £251,000 for the year. The Charity has received confirmation from Friends of the Elderly that it will continue to provide financial support to enable the Charity to meet its financial commitments, and to support the Charity in developing its services in line with our shared vision.

Finally, I would like to thank our staff, volunteers and supporters, whose support is vital to achieving positive change, ensuring older people feel valued and respected in their communities.

Steve Allen
Group Chief Executive

Trustees' report for the year ended 31 March 2018

The trustees of Triangle Community Services Limited (the Charity) are pleased to present their annual report for the year ended 31 March 2018 together with the financial statements of the Charity. The annual report includes the administrative information on page 14.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, '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)', and FRS102.

About us

We support people to live life well. We do this through our home care, day care centres, and stroke support services.

We deliver services that are personalised to individual needs and integrated with local communities. Our core values are that we will always:

- Promote **wellbeing**
- Strive for **excellence**
- Treat people with **respect**
- Keep everyone **safe**

The Charity forms part of the Friends of the Elderly Group (the Group).

Our objectives and activities

Our aims

Our aims are to:

- Ensure people have access to safe, high quality care and support services.
- Ensure people in our communities have access to social support, activities and opportunities to improve wellbeing
- Operate services sustainably and ethically to safeguard the charity's legacy, and its future.

We plan to achieve this through the following strategic objectives:

Achieve better outcomes for all

We will build local social support networks, making best use of the resources and assets in a local area and making sure that people who use our services have the opportunity to pursue their own interests and contribute to community life.

Become an employer of choice

We will offer a working environment and culture that attracts and retains the best people who champion our vision, mission and values.

Provide outstanding care

We will deliver an outstanding service, one that is 'flexible and responsive to people's individual needs and preferences, finding creative ways to enable people to live a full life' (taken from the Care Quality Commission definition of Outstanding).

Deliver financial sustainability and accountability

We will have the right people and resources to deliver sufficient surplus to sustain the charity's activities, allow for investment in future growth, and maintain reserves to meet the needs of our strategic aims.

What do we do?

We provide the following services and support:

- Home care – we provide personal care and support to people living in their own homes, offering the care and support to help people live well.
- Day centres – we operate four day centres, giving support to people in need of some additional care, and their family carers.
- Befriending – our befriending and community connector service supports people who live on their own or have little contact with family, friends or neighbours.
- Stroke support – supporting and empowering people affected by a stroke and their families. We provide information, assist people in dealing with concerns, help improve physical and mental health and help people feel less isolated through our various activities.

Our activities, performance and achievements

In last year's annual report, we set out our future plans, for 2017-18 and beyond. Here we explain how we have performed against those plans, our other activities and achievements in the year, and our developing plans for the future.

Objective: achieve better outcomes for all

- *We reported that we had commissioned the Social Care Institute for Excellence (SCIE) to undertake a mapping exercise in Woking to identify how we can improve partnership work and support for our service users and the wider community in 2017-18.*

The Group has appointed a Community Engagement Manager in Woking to help deliver against the findings of this project. We have supported our staff to form strong links to work better together for the benefit of service users in Friends of the Elderly's care home, and the Charity's day care, home care and befriending services. Working with SCIE to map local community resources, and to evaluate our existing befriending service, we have developed a new team of Community Connector volunteers. These volunteers support older people in the local community to help grow their confidence and reconnect with their community.

Other activities which support this objective include:

- Our 'Visiting Friends' befriending service in Woking provided support for 190 older people in the year, through 32 trained volunteers. After attending the group events or talking to a befriender 100% of service users said they were happier.
- A report commissioned to evaluate the social impact and return of the stroke service identified, amongst other outcomes:
 - The service's early intervention and effective engagement of a community that is more difficult to reach is expected to prevent at least three strokes, based on the number of service users in any one year, and result in further health benefits. This is based on statistics of services, users, and local and national data.
 - Stroke survivor support means that people are able to be discharged earlier from hospital, saving an estimated 55 overnight stays per person. Further benefits arise from improvements in service user lifestyles and mental health. Only 3% of service users had a second stroke in the previous 12 months, compared to a national figure of 30%.
 - The report estimated that Triangle's stroke service returned a social value, in reduced healthcare costs and lower benefits, of £3.94 to £4.96 for every £1 invested.

Our activities, performance and achievements (continued)

Future Plans

- We aim to embrace the use of technology, and innovation generally, to encourage social interaction and activity, particularly for people living with dementia. We will build on our recent experiences with innovation, such as the Tovertafel (a 'magic table') installed in our Woking hub in 2017-18. This award-winning innovation from the Netherlands provides games to encourage participation, engagement and physical and social activity for people with dementia.

Objective: Provide outstanding care

- *We said we would aim for all our services, where inspected, to receive a 'Good' CQC rating in 2017-18.*

Two home care services were rated 'Requires Improvement' by the CQC in the year. With the CQC we agreed, and completed, an action plan to address the deficiencies in each case.

- *We said we would work towards providing outstanding care through linking our services with our communities, and creating communities within some of our existing services. We also said we would support our services to implement other key community projects that fit with the needs and wishes of their local community, service users and their friends and families.*

Our services have increased links with their local communities this year, enhancing the lives of our service users and encouraging community connections, particularly through the generations. Our examples include:

- Several of our services have partnered with local nurseries and schools to deliver intergenerational activities, including a local toddler group running messy play sessions at our Woking day centre.
- We have developed our existing services further to reflect the needs of our communities. Since September 2017, Triangle Day Care Wallington has been running weekly sessions for people who are living with early-onset dementia or memory loss. It is often harder for younger people to access these services and a number of referrals had been made that do not fit the existing criteria.

Future Plans

- We will continue to develop new ways of linking our services and our communities. In Woking, our services have run a successful partnership with the local music school. ISL Primary School children and teachers want to continue their support and set up an older people's choir with our clients.
- Through our connections in the care sector, we will build on a number of collaborative projects so that we can learn from and incorporate outstanding features of other operators into our own services.

Our activities, performance and achievements (continued)

Objective: become an employer of choice

- *Last year, we said we would start to deliver on our updated values with the help of the staff group who created them, adopting values-based leadership, supervision, training and management so that our values live and breathe throughout the organisation.*

This was delayed while we finalised the detail of the strategy and concentrated on the changes within Triangle, but forms part of our plans for 2018-19.

Communication of our values, achievements, best practice, innovative ideas and general news is a challenge with a mobile workforce. We have been working towards launching 'Workplace', an internal communications tool from Facebook, which went live in July 2018. We have worked closely with the not-for-profit team at Workplace, and we will be using this to improve our internal communications and create a wider sense of community for our staff.

Future Plans

- We will continue to work towards the new Investors in People Framework 6 accreditation. A planned consultation with staff on reward and benefits is one way in which we are progressing accreditation as a longer-term aim.
- We continue to adapt our recruitment paths to respond to the sector-wide recruitment challenge. In 2018-19 this includes outsourcing our recruitment process to benefit from dedicated and proven recruitment expertise, but with in-house support still embedded in the process.

Objective: Deliver financial sustainability and accountability

The key performance indicators that drive our financial success are: home care hours delivered, day care sessions, and public authority home care fee increases, along with value-for-money and general cost efficiency.

- We said our targets for 2017-18 were to:
 - increase the hours delivered by our home care teams by 15% by the end of the year (an extra 970 hours per week); and
 - only accept home care fees from public authorities where they are financially sustainable, given rising staff costs.

Growth in care hours was achieved in the four home care branches that are closely linked with Friends of the Elderly care homes, with an increase in volumes in 2017-18 of 15% compared to the previous year. These branches have predominantly self-funded service users, although they also carry out services for public authorities where the fees are appropriate.

Fees on large public authority contracts have become financially unsustainable, either delivering deficits, or not providing the funding necessary for continual investment in quality monitoring and training. As a result, we exited all of our large public authority home care contracts during and shortly after the financial year. In some cases we did not win a contract re-tender on price, while we also made the difficult decision to close our East London homecare branch outside of a tender process. The majority of our staff and service users were able to transfer to new providers, although some redundancies were unavoidable.

Our activities, performance and achievements (continued)

While there was growth in individual home care branches, London-based services that have ceased shortly before or after the year-end produced 84% of the 282,000 home care hours delivered in 2017-18. We are committed to investing in growth in the remaining four home care branches, all of which are linked to our care home operations and support our developing model of integrated services.

Another element of sustainability is ensuring we have effective governance and leadership across the Group. We have been reviewing our governance arrangements to reflect the new Charity Governance Code. This includes revisiting the Scheme of Delegation, Standing Orders and Terms of Reference for all committees.

We invested heavily in preparations to be compliant with the General Data Protection Regulation (GDPR) which came into force in May 2018, including training 502 staff, trustees and volunteers across the Group (with the remainder of staff and volunteers to be trained during final sessions in 2018-19). This has brought the benefit of better collaborative working and more efficient internal processes, in addition to improved data management and security.

Future Plans

We expect another operational deficit in 2018-19 as a result of the closure of the East London branch in the first part of the year. However, our cash flow will be improved once we are no longer impacted by delayed invoice payments for large public authority contracts.

Our targets for 2018-19 are:

- for unrestricted cash to be a net cash inflow during 2018-19, through careful management of working capital; and
- to improve our key performance indicators, for internal reporting, to reflect our strategy and improve accountability.

Financial review

The Charity has net expenditure in the year of £251,000, compared to a net deficit in 2016-17 of £53,000.

The reduction of large public authority contracts, following decisions taken by our trustees, impacted on the results in 2017-18, with a reduction in revenue due to falling referrals, and the loss of service provided within Extra Care accommodation in the London Borough of Barking and Dagenham from February 2018. Growth in revenues from other services meant that direct income from home care and day care services only fell by 2.5% for the year (£151,000). The other large service closures took place at the start of April 2018 and August 2018, so a more significant fall in income is expected in 2018-19.

Staff costs have increased as a result of increasing pay rates over and above the rate of inflation; this is partly due to the increasing national living wage, but also to address recruitment pressures and competition for care staff in the care sector.

We received a legacy in the year of £90,000, restricted to one of our home care services. We are currently planning how best to use this generous legacy for the long-term benefit of the service.

Our future financial plans are discussed further above on this page.

Financial review (continued)

Balance sheet

The Charity has net liabilities at 31 March 2018 of £165,000 (2017: net assets of £86,000). Financial support over the coming year will be provided by Friends of the Elderly, as described below under 'going concern'.

The Charity had a high level of amounts receivable at the end the year, with trade debtors of £1.1m (2017: £1.1m). This related to delayed payment by a small number of public authorities, which is becoming increasingly common and brings new challenges around public authority contracts. Half of this debt was repaid in April 2018; withdrawing from public authority contracts has a significant positive impact on cash flows.

Reserves

The Charity holds two different types of reserves – restricted and unrestricted.

Restricted funds are held and used in line with the wishes of the donors of those funds. The trustees of the Charity do not have the discretion in the use of these funds, but they can be fully used for the objectives of the Charity.

Unrestricted reserves are funds that have not been designated for particular purposes by the trustees. As general reserves, they must be held at a level that is designed to protect the Charity's work in the event of unforeseen and significant changes in its financial position.

At 31 March 2018, total reserves were negative, at £(164,568); comprising restricted funds of £95,446 and unrestricted reserves of £(260,014).

The trustees have adopted a risk-based approach to benchmark the appropriate level of general reserves, considering the likelihood and costs of interruption of the Charity's activities. The reserves policy is reviewed by trustees on an annual basis. The scale of operations by the end of 2018-19 will be significantly smaller than previously, so the target level of general reserves reflects the costs that would arise if services were closed. The target general reserves are £400,000.

The level of general reserves at 31 March 2018 was negative and significantly below the target level.

The trustees have plans to recover to the target level of general reserves over the long-term through a continuation of new services moving out of a loss making start-up phase, longer-term growth strategy, and financial support provided by Friends of the Elderly in the coming year.

Going concern

Triangle has experienced operating losses in the financial year, and the Charity's general reserves are currently below target. The trustees have received confirmation that the Charity's parent undertaking, Friends of the Elderly, will continue to support the Charity for at least 12 months from the date of approval of the financial statements.

Financial review (continued)

The trustees of Friends of the Elderly have assessed the ability of the Charity and Group to continue as a going concern, which includes an assessment of whether Friends of the Elderly has sufficient resources to also support the Charity. The assessment considers risks and uncertainties that could impact on the ability of Friends of the Elderly and Group to continue as a going concern for at least the 12-month period from approval of the financial statements. Risks and uncertainties include forced closure of a service due to adverse events or for regulatory reasons, or cash outflows caused by a severe deterioration in operating results. The trustees of Friends of the Elderly have taken into account responses and mitigating factors to these risks and uncertainties, including budgets, formal forecasts, cash flow forecasts, strategic plans, financial contingency plans and availability and liquidity of assets.

The trustees of Friends of the Elderly are satisfied that the strong net asset position of Friends of the Elderly and the liquidity of assets including cash, unrestricted investments and investment properties, are sufficient to address the risks and uncertainties considered as part of the assessment of going concern. This availability of assets also enables Friends of the Elderly to provide sufficient support to other Group companies that may be required over the two-year period that is formally assessed.

As a result of the confirmation from Friends of the Elderly and the actions being taken to reduce future operating deficits, the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. On this basis, the financial statements have been prepared on the going concern basis.

Structure, governance and management

The Charity's constitution

The organisation is a charitable company limited by guarantee, incorporated on 18 March 1992 and registered as a charity in 1993. The Charity was set up under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Charity merged with Friends of the Elderly (registered charity number 226064) on 30 June 2012, when it became part of the Friends of the Elderly Group. It remains a wholly-owned subsidiary of Friends of the Elderly, with its own Companies House and Charity Commission registrations.

Trustees

The directors of the Charity are also known as charity trustees for the purposes of charity law and under the Charity's Articles are known as members of the board of trustees. Under the requirements of the Articles of Association the members of the board are appointed by Friends of the Elderly as the company's sole member. The Charity has one trustee who is independent of Friends of the Elderly.

To ensure that the Charity's trustees govern effectively under this Group structure, a number of processes, procedures and support systems are in place:

- Trustees are appointed by the Board of Trustees of Friends of the Elderly acting as sole company member.
- They then hold office for a period of three years, which is usually renewed for a further three years.
- After the completion of six years, trustees are eligible for re-election on an annual basis for a maximum of three further years.

Structure, governance and management (continued)

- All new trustees take part in a formal induction programme and receive regular training.
- The trustees meet at least four times a year.
- Board committees scrutinise and oversee matters relating to audit and risk, board nominations, remuneration and employment, resources and investments, and strategic delivery.
- The day-to-day management of the Group is delegated to the Chief Executive and other senior members of management who constitute the senior management team (SMT). The SMT includes the key management personnel of the Charity.

The Group has a dedicated Company Secretary who ensures governance is given a high priority and provides support to trustees of each entity to help them to carry out their duties effectively.

The Charity holds professional indemnity insurance in respect of all trustees, committee members and staff.

Public benefit

An explanation of the Charity's objectives and activities is provided on page 4. In addition, the trustees confirm that they have taken into account the guidance produced by the Charity Commission on public benefit and are able to state that all of the relevant activities of the Charity are carried out for the public benefit.

Fundraising

The Charity is demonstrating our commitment to good fundraising practice, and we have subscribed to the voluntary fundraising regulator scheme. We have not received any complaints in this accounting period relating to fundraising practices. We have in place a policy on fundraising and vulnerable people. We do not employ professional fundraisers to carry out fundraising on our behalf. We also ensure our fundraising practices comply with General Data Protection Regulation (GDPR) policies and procedures.

Principal risks and uncertainties

Risks are managed for the Friends of the Elderly Group as a whole, and this takes into account risks that relate specifically to the Charity. The trustees of the Charity hold overall ownership for risk.

Trustees of both Friends of the Elderly and the Charity, in conjunction with the SMT, have identified and reviewed the major risks to which the Group is exposed and systems are in place to manage such risks.

The trustees have a policy to embed effective risk management such that risks are identified, mitigated and communicated, and good risk management practice is shared across the Group. The trustees hold overall ownership for risk. Risks are allocated between committees and the board. The Risk Register, including amendments from the committees, is reviewed by the board of trustees annually.

The Audit and Risk Committee performs more detailed examination of key risk areas and management responses. Day-to-day management of risk is delegated to the Chief Executive and the SMT, with individuals having primary responsibility as risk owners of specific risks on the risk register. The main risks and the responses to them are:

Risk	Key responses
Safeguarding failure Abuse or negligence by staff or volunteers.	<ul style="list-style-type: none"> • A permanent quality and innovation team. • Safeguarding policies and application reviewed with Social Care Institute for Excellence (SCIE). Staff safeguarding training. Safeguarding Adults Sub-Committee meets quarterly. • Policies to investigate complaints raised by service users and their family members. Whistleblowing procedures for staff and volunteers.
Infectious disease outbreak at Group premises Premises are unusable or dangerous (in the short-term) Due to serious damage (e.g. fire or flooding) or other unexpected problems (e.g. adverse weather).	<ul style="list-style-type: none"> • Training in clinical risks for staff and volunteers. • Policies on actions to take during such an outbreak. • Business continuity plans are in place. Insurance policies in place. • Primary Authority Partnership entered into with Surrey Fire and Rescue. Fire detection and fire extinguishing systems. Fire training for staff. • Health and Safety Manager in post. Risk assessments carried out in line with policies. Health and Safety Sub-Committee meets quarterly.
Financial viability of the Charity Ensuring we have adequate financial resources to continue our work and meet the needs of our service users both in the short and longer-term.	<ul style="list-style-type: none"> • Trustees provided with regular financial information, including forecasting of results and resources. The financial viability of future operations, including cash flow requirements, are considered regularly. • Trustees have reviewed the Reserves Policy in the current year (discussed further on page 9). • The level of general reserves against targeted reserves levels is monitored at least annually. Financial support is sought from Friends of the Elderly, where necessary.
Failure to comply with legislation or regulatory requirements	<ul style="list-style-type: none"> • Care quality policies and procedures established and kept under review. • Quality assurance programme to monitor compliance and completion of actions from previous assessments.

Health and safety

The health and safety of our staff and the people within our care is of primary importance. Through our dedicated in-house resources, including a full-time health and safety manager, training and procedures, and pro-active approach to managing risks, users of our services, our staff and our volunteers remain safe.

Key management personnel

Key management personnel comprise the Group's Senior Management Team and trustees, although trustees are not remunerated.

Pay and remuneration for the Charity's key management personnel are set by reference to internal and external benchmarks. Internal benchmarks align pay with the level of responsibility, while external benchmarks consider published market data for comparable roles in comparable-sized organisations.

Changes to pay are approved by the Chief Executive, other than those relating to the Chief Executive and Charity Secretary which are approved by the board. Any significant change in structure or amount of key management personnel pay and remuneration (either in total or for an individual) is approved or otherwise by the Remuneration and Employment Committee.

Structure, governance and management (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of Triangle Community Services Limited for the purposes of company law) are responsible for preparing the annual 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 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 corporate and 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.

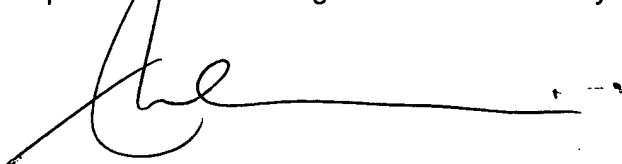
Statement of disclosure of information to auditors

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware, and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The trustees' report and the financial statements were approved by the board of trustees on 21 September 2018 and signed on their behalf by:



Kerry Rubie
Board Chair

Administrative Information

Charity name

Triangle Community Services Limited

Registered office

40-42 Ebury Street
London SW1W 0LZ

Registration numbers

Charity no. 1016437
Company no. 2698380

Company secretary

Soo Smith

Trustees

Joannie Andrews 4
Sonia Campbell 4, 5
Robert A Chapman 1
Rikki Garcia 2, 4
James Hussey 2 (to 1 August 2017)
Chris Maidment 1, 2 (from 22 July 2017)
Simon J Passman 3
James Ross 2, 3
Kerry Rubie 2, Chair
Jeremy Withers Green 1, 2, Vice Chair

1. *Member of Audit & Risk Committee*
2. *Member of the Chair's, Nominations, and Remuneration & Employment Committees*
3. *Member of Resources and Investment Committee*
4. *Member of Strategic Delivery Committee*
5. *Independent trustee*

Key management personnel of the Charity

Director of Care: Janet Hawthorn
Director of Community Integration: Mark Wilson

Group Senior Management Team

Chief Executive: Steve Allen
Charity Secretary: Soo Smith
Director of Engagement: Jo O'Boyle
Director of Finance: Jennifer Griffiths
Director of Property: Peter Cottrell
Director of Quality and Innovation: Richard Macintyre

Statutory auditors

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Bankers

HSBC plc
89 Buckingham Palace Rd
Belgravia
London SW1W 0QL

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Independent auditor's report to the members of Triangle Community Services Limited

Opinion

We have audited the financial statements of Triangle Community Services Limited for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2018 and of its 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 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Independent auditor's report to the members of Triangle Community Services Limited (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative to do so.

Independent auditor's report to the members of Triangle Community Services Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the charitable company's members, 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.



.....
Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London
 EC4V 4BE

Date: 28 September 2018

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

Statement of financial activities for the year ended 31 March 2018
(incorporating the Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2018 £	Total Funds 2017 £
Income from:					
Donations and legacies	3	120,161	97,355	217,516	4,269
<i>Charitable activities:</i>	4				
Community-based care services		5,531,330	-	5,531,330	5,682,428
Community engagement		21,011	-	21,011	-
Total		5,672,502	97,355	5,769,857	5,686,697
Expenditure on:					
<i>Charitable activities:</i>	4				
Community-based care services		5,938,183	2,074	5,940,257	5,739,978
Community engagement		80,017	385	80,402	-
Total		6,018,200	2,459	6,020,659	5,739,978
Net (expenditure)/ income and net movement in funds	5	(345,698)	94,896	(250,802)	(53,281)
Reconciliation of funds:					
Total funds brought forward		85,684	550	86,234	139,515
Total funds carried forward	14	(260,014)	95,446	(164,568)	86,234

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities. Results for 2017 by fund are disclosed in note 2.

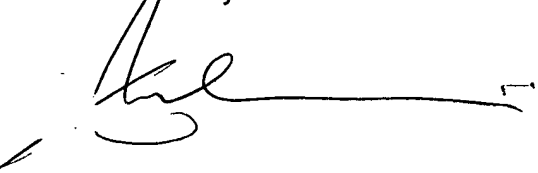
The notes on pages 21 to 31 form part of these financial statements.

Balance sheet as at 31 March 2018

		2018 £	2017 £
	<i>Notes</i>		
Fixed assets			
Intangible assets	9	545	48,803
Tangible assets	10	36,629	71,841
Total fixed assets		<u>37,174</u>	<u>120,644</u>
Current assets			
Debtors	11	1,192,948	1,206,360
Cash at bank and in hand		286,506	141,428
Total current assets		<u>1,479,454</u>	<u>1,347,788</u>
Creditors			
Amounts falling due within 1 year	12	(1,627,034)	(1,382,198)
Net current liabilities		<u>(147,580)</u>	<u>(34,410)</u>
Total assets less current liabilities		(110,406)	86,234
Provisions for liabilities	13	(54,162)	-
Total net assets		<u>(164,568)</u>	<u>86,234</u>
The funds of the charity:			
Restricted funds	14	95,446	550
Unrestricted funds	14	(260,014)	85,684
Total charity funds		<u>(164,568)</u>	<u>86,234</u>

The notes on pages 21 to 31 form part of these financial statements.

The financial statements were approved by the board of trustees on 21 September 2018 and were signed on their behalf by:


Kerry Rubie
Board Chair

Statement of cash flows for the year ended 31 March 2018

	<i>Notes</i>	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities:					
Net cash provided by operating activities	16		<u>155,482</u>		<u>85,523</u>
Cash flows from investing activities:					
Purchase of property, plant and equipment		(10,404)		(45,979)	
Net cash used in investing activities			<u>(10,404)</u>		<u>(45,979)</u>
Change in cash and cash equivalents in the year			145,078		39,544
Cash and cash equivalents at the beginning of the year			<u>141,428</u>		<u>101,884</u>
Cash and cash equivalents at the end of the year			<u>286,506</u>		<u>141,428</u>

Notes to the financial statements for the year ended 31 March 2018

1. Principal accounting policies

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

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Triangle Community Services Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value except where otherwise stated in the relevant accounting policy notes.

Triangle Community Services Limited is a registered charity (number 1016437) and a registered company (number 2698380) limited by guarantee incorporated in England and Wales. The registered office is 40-42 Ebury Street, London SW1W 0LZ.

The general reserves of the Charity are lower than the target level. In addition the Charity recorded net expenditure in the year and has net current liabilities.

The trustees have confirmation that its parent undertaking, Friends of the Elderly, will continue to support the Charity for at least 12 months from the date of approval of the financial statements.

A going concern assessment has been prepared at Group level to ensure that Friends of the Elderly has sufficient resources to provide this support to the Charity. The going concern assessment of Friends of the Elderly is based on the strong net asset position of Friends of the Elderly, its general reserves, and the liquidity of the assets that would be available in the event that additional cash was required.

As a result of the confirmation from Friends of the Elderly, and plans to reduce future operational deficits, the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. On this basis, the financial statements have been prepared on the going concern basis.

(b) Fund accounting

Unrestricted funds are those funds that are readily available for the use of the Charity, as the Charity's trustees see fit.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the various restricted funds is set out in the notes to the financial statements.

(c) Income

All income is included in the statement of financial activities when the services have been carried out, when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Any income received in advance is deferred until such time as the services are carried out. Any additional amounts received as one-off or initial payments relating to a contract are spread over the period to which the payment relates (either the contractual period or a specific time-frame specified by the other party).

Donations are accounted for when received and related gift aid when receivable.

1. Principal accounting policies (continued)

(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(e) Support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include governance costs and costs relating to the oversight of the Charity. These costs are allocated to expenditure on charitable activities.

(f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. An equivalent amount of expenditure is also recognised when the service or facility is used.

(g) Intangible fixed assets and amortisation

Intangible assets are capitalised at cost, including any incidental external expenses of acquisition or construction.

Amortisation is charged so as to write off the full cost of the assets less their residual values on a straight-line basis over the following expected useful economic lives:

Computer software:	3 years
--------------------	---------

(h) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost, including any incidental expenses of acquisition.

Depreciation on tangible fixed assets is charged so as to write off the full cost over their expected useful economic lives at the following rates:

Computer hardware:	3 years
Other fixtures, fittings & vehicles	5-10 years

(i) Impairment of fixed assets

Assets are reviewed annually for indicators of impairment. Indicators would include: evidence of obsolescence or physical damage to the asset, evidence that an asset's market value has declined significantly, or evidence from internal reporting that the economic performance (cash flows and operating results) of an asset is, or will be, worse than expected.

Where there is an indicator of impairment, an impairment review is performed to identify the recoverable amount of an asset. If the recoverable amount of an asset is less than its carrying value, then an impairment loss is recognised to reduce the carrying value of the asset to its recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is calculated from a discounted cash flow. Where an asset is primarily held for its service potential to beneficiaries, value in use may be regarded as the present value of the asset's service potential rather than the present value of its cash flow, which would be taken from the asset's depreciated replacement cost.

1. Principal accounting policies (continued)

(j) Debtors

Trade and other debtors are recognised at the settlement amount due, less an allowance for any doubtful debts. Prepayments are valued at the amount prepaid net of any discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand include cash and any deposits with a short maturity of three months or less from the date of opening of the deposit or similar account.

(l) Creditors

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Financial instruments

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at the amortised cost using the effective interest method, less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, and loans from third parties are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(n) Operating leases

Rentals under operating leases are charged to the statement of financial activities as they fall due.

(o) Pension schemes

The Charity operates a defined contribution scheme, the assets of which are held in an independently administered fund. Contributions are charged to the statement of financial activities as they become payable.

(p) Key judgements and estimates

The key judgements or estimates for the Charity include the review of impairment indicators and assessment of impairment loss.

Impairment indicators include the financial performance of a service compared to expectations or in isolation, and any planned changes to a service that will impact on its financial performance or continued operation. Impairment indicators for central assets that support delivery of all services, such as finance systems, are considered based on the financial performance of the Charity as a whole.

Triangle Community Services Limited
Annual report and financial statements for the year ended 31 March 2018

1. Principal accounting policies (continued)

Where there are impairment indicators for individual branches, the recoverable value of the underlying assets is assessed. The fair value of an asset, less costs to sell, is considered, where there is evidence to support a market value. This is compared to the value in use based on either discounted cash flows or depreciated replacement cost for certain services where the asset is a core part of charitable service delivery.

The key estimate in the 'value in use' calculation is the future operating results of a service, which are based on the most recent forecasts. Discount rates may be a key estimate depending on the sensitivity of the discounted cash flow and whether it may be higher than fair value less costs to sell.

Depreciated replacement cost is the cost of replacing the asset, reduced to reflect the remaining economic life of the asset in its used condition.

The other key judgement or estimate relates to provisions for onerous lease costs and dilapidation charges that may arise at the end of a lease. These provisions are based on current estimates taking into account available information.

2. Statement of financial activities for the year ended 31 March 2017

	Unrestricted funds £	Restricted funds £	Total Funds 2017 £
Income from:			
Donations and legacies	-	4,269	4,269
<i>Charitable activities:</i>			
Community-based care services	5,682,428	-	5,682,428
Other income	-	-	-
Total	5,682,428	4,269	5,686,697
Expenditure on:			
<i>Charitable activities:</i>			
Community-based care services	5,736,259	3,719	5,739,978
Net (expenditure)/ income and net movement in funds	(53,831)	550	(53,281)
Reconciliation of funds:			
Total funds brought forward	139,515	-	139,515
Total funds carried forward	85,684	550	86,234

3. Donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Grant from parent undertaking	43,000	-	43,000	-
Gift in kind from parent undertaking	76,500	-	76,500	-
Other donations	661	97,355	98,016	4,269
	120,161	97,355	217,516	4,269

The gift in kind from the parent undertaking relates to management charges that were waived by the parent undertaking. The grant from the parent undertaking is to support the Visiting Friends service operated by the Charity since June 2017.

4. Analysis of income and expenditure by charitable activity

	Community-based care services	Community Engagement	Total	Community-based care services and total
	2018 £	2018 £	2018 £	2017 £
Direct income	5,531,330	21,011	5,552,341	5,682,428
Grant from parent undertaking	-	43,000	43,000	-
Gift in kind from parent undertaking	75,464	1,035	76,499	-
Other donations	97,632	385	98,017	-
Total income	5,704,426	65,431	5,769,857	5,682,428
Direct expenditure	5,126,614	70,360	5,196,974	5,002,406
Support costs				
Governance	9,115	125	9,240	9,560
Central office costs - property	149,669	925	150,594	93,950
Central office costs - IT and communications	96,198	1,321	97,519	74,766
Central office costs - staff and professional support	220,181	3,023	223,204	202,232
Central office costs - other	36,625	503	37,128	57,064
Management fee	301,855	4,145	306,000	300,000
Total support costs	813,643	10,042	823,685	737,572
Total expenditure	5,940,257	80,402	6,020,659	5,739,978
Net expenditure	(235,831)	(14,971)	(250,802)	(57,550)

Support costs are allocated between charitable activities based on the proportion of expenditure.

Management fees of £229,500 have been charged to the Charity by Friends of the Elderly during the year (2017: £300,000) representing costs borne by Friends of the Elderly relating to Triangle, including finance, IT, human resources and governance. Friends of the Elderly waived management fees of a further £76,500 (2017: nil) in the year, which is recognised by the Charity within income as a gift in kind, and also recognised as a cost.

5. Net expenditure

Net expenditure is stated after charging:

	2018 £	2017 £
Staff costs	4,684,915	4,477,590
Amortisation of intangible fixed assets	48,258	43,799
Depreciation of tangible fixed assets	43,911	52,307
Auditors' remuneration - Audit	7,700	7,500

Professional indemnity insurance is in respect of all trustees, committee members and staff. The cost is invoiced to the parent undertaking, but recharged to Triangle as part of the management recharge.

6. Staff costs

	2018	2017
	£	£
Staff costs were as follows:		
Salaries and wages	4,318,491	4,154,726
Social security costs	308,027	267,409
Pension costs	58,397	55,455
	<u>4,684,915</u>	<u>4,477,590</u>

The following costs were incurred in relation to redundancies:

	2018	2017
	£	£
Redundancy payments	<u>1,353</u>	<u>-</u>

There were no staff whose emoluments plus taxable benefits amounted to over £60,000 during the year (2017: none).

The total emoluments paid to key management personnel by the Charity are set out below. Key management personnel comprise the senior management team and trustees of the Charity, but do not include Group senior management team members who are remunerated by the parent undertaking. Trustees are not remunerated.

	2018	2017
	£	£
Total emoluments	<u>118,041</u>	<u>109,170</u>

7. Staff numbers

The average number of employees (headcount) and full time equivalent (FTE) for the year were as follows:

Employee numbers	2018 Headcount No.	2017 Headcount No.	2018 FTE No.	2017 FTE No.
				<i>Restated</i>
Care staff	259	292	213	223
Management and administration	38	37	33	35
	<u>297</u>	<u>329</u>	<u>246</u>	<u>258</u>

Employee numbers for 2017 have been restated using updated estimates of full time equivalent staff, consistent with 2018, where staff work variable hours. The number of total full time equivalent employees previously disclosed for 2017 was 316.

8. Related party transactions

Trustees

The trustees received no remuneration for their services as trustees of the Charity in the period (2017: nil).

During the year ended 31 March 2018, no amounts were paid on behalf of trustees for expenses incurred in the course of their duties as trustees of the Charity (2017: none).

Robert Chapman, a trustee of Triangle Community Services, is also a councillor with the London Borough of Hackney. During the year ended 31 March 2018 £37,680 (2017: £78,035) was invoiced to the London Borough of Hackney for care services undertaken, and at 31 March 2018 £23,416 was outstanding (2017: £46,779).

Intercompany transactions

The Charity had the following transactions with Group companies during the year:

	2018	2017
	£	£
Transactions with Friends of the Elderly		
Grant income to support community engagement	43,000	-
Gift in kind - management fee not recharged by Friends of the Elderly	76,500	
Management fee from Friends of the Elderly (including amount waived)	(306,000)	(300,000)
Learning and Development recharged by Friends of the Elderly	(55,916)	(90,166)
Rent and service charges payable	(61,092)	(36,308)
Transactions with The Retired Nurses National Home		
Rent and service charges payable	(4,872)	(5,400)
	<u>(308,380)</u>	<u>(431,874)</u>

The Charity had the following year-end balances with Group companies:

	2018	2017
	£	£
Amounts due to Friends of the Elderly	<u>(1,164,236)</u>	<u>(958,218)</u>

9. Intangible fixed assets

	Computer Software £
Cost	
At 1 April 2017	131,398
At 31 March 2018	<u>131,398</u>
Depreciation	
At 1 April 2017	82,595
Charge for the year	48,258
At 31 March 2018	<u>130,853</u>
Net book value 31 March 2018	<u>545</u>
Net book value 31 March 2017	<u>48,803</u>

10. Tangible fixed assets

	Fixtures, Fittings and Equipment £
Cost	
At 1 April 2017	239,786
Additions	10,404
Disposals	(6,264)
At 31 March 2018	<u>243,926</u>
Depreciation	
At 1 April 2017	167,945
Charge for the year	43,911
Disposals	(4,559)
At 31 March 2018	<u>207,297</u>
Net book value 31 March 2018	<u><u>36,629</u></u>
Net book value 31 March 2017	<u>71,841</u>

11. Debtors

	2018 £	2017 £
Trade debtors	1,053,545	1,064,285
Other debtors	18,900	11,762
Prepayments and accrued income	120,503	130,313
	<u>1,192,948</u>	<u>1,206,360</u>

12. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	89,227	110,941
Amounts due to Group undertakings	1,164,236	958,218
Other creditors	75,972	26,907
Tax and social security	89,370	89,699
Accruals and deferred income	208,229	196,433
	<u>1,627,034</u>	<u>1,382,198</u>

13. Provisions for liabilities

	2018 £	2017 £
Onerous lease contracts	29,162	-
Dilapidations provision	25,000	-
	<u>54,162</u>	<u>-</u>

Provisions have been charged in the year for onerous lease contracts relating to the remaining lease commitment on offices for branches which have been closed post year-end, and for dilapidation charges that may arise at the end of lease contracts.

14. Funds

Movement in funds for the year ended 31 March 2018 was as follows:

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
As at 1st April 2017	550	85,684	86,234
Income	97,355	5,672,502	5,769,857
Expenditure	<u>(2,459)</u>	<u>(6,018,200)</u>	<u>(6,020,659)</u>
As at 31st March 2018	<u>95,446</u>	<u>(260,014)</u>	<u>(164,568)</u>

Movement in funds for the year ended 31 March 2017 was as follows:

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
As at 1st April 2016	-	139,515	139,515
Income	4,269	5,682,428	5,686,697
Expenditure	<u>(3,719)</u>	<u>(5,736,259)</u>	<u>(5,739,978)</u>
As at 31st March 2017	<u>550</u>	<u>85,684</u>	<u>86,234</u>

Funds are represented by the following assets and liabilities at 31 March 2018:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible assets	545	-	545
Tangible assets	36,629	-	36,629
Current assets	1,384,008	95,446	1,479,454
Current liabilities	<u>(1,627,034)</u>	<u>-</u>	<u>(1,627,034)</u>
Provisions for liabilities	<u>(54,162)</u>	<u>-</u>	<u>(54,162)</u>
	<u>(260,014)</u>	<u>95,446</u>	<u>(164,568)</u>

Restricted funds relate to donations and legacies to individual branches for expenditure in those branches. Restricted funds were represented by cash at 31 March 2018.

Funds are represented by the following assets and liabilities at 31 March 2017:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible assets	48,803	-	48,803
Tangible assets	71,841	-	71,841
Current assets	1,347,238	550	1,347,788
Current liabilities	<u>(1,382,198)</u>	<u>-</u>	<u>(1,382,198)</u>
	<u>85,684</u>	<u>550</u>	<u>86,234</u>

15. Commitments

The following total amounts are payable on operating leases:

	2018	2017
	£	£
Land and buildings		
Within one year	46,200	46,200
Within 2 to 5 years	57,750	184,800
> 5 years	-	11,550
	<u>103,950</u>	<u>242,550</u>
Other		
Within one year	12,038	11,406
Within 2 to 5 years	14,520	16,201
	<u>26,558</u>	<u>27,607</u>
Total	<u>130,508</u>	<u>270,157</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£	£
Net movement in funds	(250,802)	(53,281)
Depreciation on tangible assets	43,911	52,307
Loss on disposal of tangible assets	1,705	-
Amortisation of intangible assets	48,258	43,799
Decrease/(increase) in debtors	13,412	(621,440)
Increase in creditors	244,836	664,138
Increase in provisions	54,162	-
Net cash outflow from operating activities	<u>155,482</u>	<u>85,523</u>

17. Financial instruments

The Charity has financial instruments categorised as follows:

	2018	2017
	£	£
Debt instruments measured at amortised cost	1,146,595	1,127,272
Financial liabilities measured at amortised cost	(1,627,034)	(1,382,198)

Debt instruments measured at amortised cost comprise amounts owed from group undertakings, trade debtors, and accrued income and other debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors and accruals.

18. Post balance sheet events

The Charity announced the closure of its East London homecare branch in April 2018, with closure complete by 31 August 2018.

19. Taxation

As a registered charity, Triangle Community Services Limited is entitled to certain tax exemptions on income and profits from investments, and surpluses from any trading activities carried out in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

20. Members

The Charity is a charitable company limited by guarantee. The member of the Charity is Friends of the Elderly. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The Charity is consolidated within the financial statements of Friends of the Elderly. The consolidated financial statements of Friends of the Elderly are available from:

The Company Secretary
Friends of the Elderly
40-42 Ebury Street
London SW1W 0LZ