



**Dimensions (UK) Limited**  
**Report and Financial Statements**  
**for the year ended**  
**31 March 2017**

**Proving life can get better**

Co-operative & Community Benefit Society Number: 31192R

## **Dimensions (UK) Limited**

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## Dimensions (UK) Limited

### Statutory Information

<b>The Board</b>	Helen Baker (Chair) Anne Barnard (Vice Chair) Calum Mercer Christine Cryne Kevin Lewis Gordon Lyle Nick Turner (appointed 15 November 2016) Sherry Malik (appointed 15 November 2016) Delyth Lloyd-Evans (appointed 13 April 2017) Rosalind Bergemann (resigned as a Board member 1 May 2017 and became a co-opted member) Jonathan Mason (resigned 1 June 2017) Steve Scown (Chief Executive Officer and a co-opted member) Susan Kirkman (a co-opted member) Paul Davies (a co-opted member)	
<b>Executive Directors</b>	Mark Horlock Stella Cheetham  Jackie Fletcher  Bob Tindall Chris Woodhead  Steph Palmerone  Luke Joy-Smith	Group Director of Finance Group Director of People and Organisational Development Group Director of Quality, Public Affairs and Policy Managing Director Group Director of Housing and Business Development Director and Waymarks Managing Director Director and Discovery Managing Director
<b>Principal and Registered Office</b>	1430 Arlington Business Park Theale Reading RG7 4SA	
<b>Bankers</b>	National Westminster Bank Plc 13, Market Place Reading RG1 3BB	HSBC Apex Plaza Forbury Road Reading, RG1 1AX
<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmond Street Birmingham, B3 2ES	Trowers & Hamlin 3 Bunhill Row London, EC1Y 1YZ
<b>Auditor and Accounting &amp; Tax Advisers</b>	KPMG LLP Arlington Business Park, Reading, RG7 4SD	
<b>Internal Auditors</b>	BDO LLP 55 Baker Street, London, W1U 7EU	
<b>Co-operative &amp; Community Benefit Society Number</b>	31192R	
<b>Homes And Communities Agency Number</b>	4648	

## **Dimensions (UK) Limited**

### **Chair's and Chief Executive Officer's Statement**

This year has seen us continue to make good progress on delivering our 2020 strategy. Our mission is to provide high quality, personalised support for people with learning disabilities and autism, helping them to be actively engaged with, and contribute to, their communities. Our ambition is to become the exemplar provider of research-based and outcomes-focused support in our field.

Dimensions is committed to being large enough to give us the resilience we need to deliver our strategy. Over the past year we have re-secured £4.5 million of existing work and achieved net growth of £11 million (annualised). Another significant contributor to growth has been our success in winning a substantial contract with Somerset County Council to take on, secure and modernise their in-house learning disability services. We have established a local charitable subsidiary, trading as "Discovery", into which these services and the staff delivering them were transferred on 1 April 2017.

This has again been a particularly demanding year financially, as it has been right across our sector. We were disappointed to achieve an operating surplus below the target we set, but rigorous stress testing, further developments of our balanced scorecard and a strong risk and assurance framework informed and supported the difficult judgments we have had to make. This included in particular our need to act in response to significant changes in the interpretation of an area of employment regulation relating to staff who sleep in, which resulted in a material increase in staff costs. Recognising the volatility of the political and economic environment within which we work and the need to absorb some of the short-term pressures of the continuing development to which we are committed, we secured a loan facility at the end of the year. This should ensure that we are able to maintain cash reserves at the threshold we have determined necessary.

In parallel with other providers our CQC/CSSIW service ratings of good or better dipped in response to the new regulatory regime. These recovered strongly, however, to finish the year at 95%. We have seen similar patterns of performance as measured by our internal audits of services which now engage people we support and families as well as staff in carrying out assessments. Towards the end of the year we began to pilot a digital solution for Activate, our new model of support, which is based on our sector-leading research. Central to this is putting decision making closer to the people we support by setting personalised and challenging goals with them, their families and staff.

Our commitment to increasing the voice and influence of the people we support and their families was evidenced by our continuing support for, and engagement with, Learning Disability England. In response to concerns raised by our increasingly vocal Council and other people we support we also developed, in partnership with sixteen organisations, our #Imwithsam campaign to raise the profile of the issue of hate crime. As an organisation committed to learning we have again benefited from a wide range of such partnerships across the year. We withdrew from sponsorship of the Autism Schools Trust at the end of March to focus on priorities more directly related to our strategy, but remain very proud of The Rise School, for children with autism, which we set up through a joint venture with Ambitious About Autism and are confident about its future and the other special schools it will go on to inspire.

Our colleagues across Dimensions, at all levels, have always been central to everything we have been able to achieve. We are enormously grateful to them for their commitment to the people we support despite the challenging environment in which we work. We are conscious that many staff transfer to Dimensions as a consequence of our winning new contracts rather than through their own choice. We have therefore continued to work on building effective channels for communication and consultation and further strengthened our focus on staff well-being and opportunities for development.

Our thanks go to everyone who has worked with us over the past twelve months. We look forward with confidence to the opportunities we will continue to build on in the year to come.



**Helen Baker**  
**Chair**



**Steve Scown**  
**Chief Executive Officer**

## Dimensions (UK) Limited

### Operating and Financial Review

#### Overview of the Business

The principal activity of the Group ('Dimensions') is the provision of personalised support with housing through Dimensions (UK) Limited and its subsidiaries Outreach 3 Way Limited, Waymarks Limited and Dimensions Somerset SEV Limited (trading as "Discovery").

Dimensions provides a wide range of services for children and adults with learning disabilities and people who experience autism, including those with complex needs or challenging behaviour. Dimensions is a not-for-profit organisation, supporting over 3,000 people and their families throughout England and Wales. The organisation enables people to be part of their community and to make their own choices and decisions about their own lives. Dimensions also provides supported employment services to help some of the people it supports to get a job.

As a Registered Provider of social housing, Dimensions provides low-cost rented accommodation for 1,206 people as set out below:

	<b>Owned and directly managed by Dimensions</b>	<b>Owned by Dimensions but managed by other organisations</b>	<b>Managed by Dimensions for other organisations</b>
Supported housing	275	283	248
Care homes	53	223	124
<b>Total</b>	<b>328</b>	<b>506</b>	<b>372</b>

In addition, Dimensions enables a further 209 people to access the private rented sector.

#### Vision, Mission and Values

Dimensions' vision is an inclusive society where people have equal chances to live the life they choose. Its mission is to provide high quality personalised support for people with learning disabilities and autism, helping them to be actively engaged with, and contribute to, their communities.

Dimensions' values are:

Ambition	seeking to help people reach their potential
Respect	showing people respect and recognising that their unique contribution adds value to all
Courage	being guided by the courage of our convictions to make a difference
Integrity	ensuring that what we do is grounded in what we believe
Partnership	working with others to achieve more for people

## Dimensions (UK) Limited Operating and Financial Review

Dimensions' strategic pillars are:

Personalisation	supporting choice and control, meeting needs and encouraging ambition, protecting and improving the quality and safety of services and developing research-based support focused on outcomes
Development	growing research-based outcomes-focused support, increasing services for people with complex needs, helping people to have a good home, developing the expertise of central services and evaluating new support models and new markets
Engagement	building partnerships and working collaboratively, developing a louder voice and promoting best practice, increasing the influence of the people supported and their families and adding value to the sector
People	valuing and supporting the people who work with us, striving to be inclusive and to respect difference, building a workforce which is capable, highly motivated, engaged and the best they can be and developing a flexible, responsive and accountable structure
Organisation	being an effective learning organisation, making the best possible use of resources and devolving decision making to be as close as possible to the people supported

Dimensions' vision, mission and strategic aims continue to reflect its commitment to provide excellent personalised support for people and to provide a framework for its continuing diversification and development.

The aim of Dimensions is to be the research-based exemplar provider delivering outcomes-focused care and support. Indeed, the Organisation is building on its leading edge personalisation work and has further developed ways of providing personalised support within traditional care home environments. Staff, locally, work closely with personal budget holders and their families to design and implement the right packages of support for them, provided in their preferred accommodation.

The Organisation continues to develop its capacity and expertise to provide a range of services for people with particular needs such as autism, complex and challenging behaviour, young people in transition and people who wish to live independently. Its Waymarks subsidiary is also establishing additional services for people with more complex histories.

Dimensions has recognised that it needs to improve how it works with the families of the people it supports. Dimensions' network of experts, by experience, help the Organisation to continue to develop and improve how it works with families so it can achieve its aim of becoming a family-friendly organisation.

### Financial Results for the Year

The Group achieved an operating surplus before exceptional items of £2,414,000 (2016: £1,705,000). The total surplus recognised in the Income and Expenditure Account was £75,000 (2016: £736,000). Within this surplus, Dimensions (UK) Limited, the Group Parent, made a loss of £224,000 (2016: surplus of £608,000).

The exceptional item relates to back-pay to top-up for sleep-ins worked.

## Dimensions (UK) Limited

### Operating and Financial Review

There has been a lack of clarity over whether National Living Wage (NLW) should apply to all time spent on sleep-in shifts for a number of years. There has now been further case law and a change in the way HMRC enforces the legislation. As a result the Board decided that it was appropriate to revise the method for paying for sleep-in shifts. It was agreed with UNISON that these adjustments would be back-dated to July 2016. Negotiations are underway with all commissioners of services to establish revised pricing for sleep-ins that covers the additional costs.

The underlying performance is reflected in the result before exceptional item. This was a little lower than planned largely because the growth was less than expected for the Waymarks and Real Focus business streams. As a result, these parts of the Group failed to meet their budgeted surpluses.

A summary of Dimensions' financial results over the past five years is set out below:

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	133,900	122,724	111,289	116,290	121,268
<b>Operating surplus (before exceptional items and adjustments arising from acquisitions)</b>	<b>2,414</b>	<b>1,705</b>	<b>2,357</b>	<b>3,864</b>	<b>952</b>

Dimensions' investment in its business development capacity continues to provide a good return and the organisation was able to secure significant new income. Notably, during the year, the Group was successful in a tender to work in partnership with Somerset County Council to set up a Social Enterprise Vehicle for the delivery of local learning disability and autism services. This new subsidiary, trading as "Discovery", commenced on 1 April 2017, supporting 900 people and involving the transfer of 1,300 staff.

<b>Balance sheet highlights</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash and investments</b>	16,276	14,613	18,178	14,948	10,411
<b>Capital and reserves</b>	<b>17,346</b>	<b>17,520</b>	<b>16,854</b>	<b>14,742</b>	<b>10,974</b>

Reserves have dropped slightly following the £2.1m exceptional item for sleep-in back-pay charged during the year, as well as the £249k actuarial loss on the Royal Berkshire Local Government Pension Scheme (LGPS).

With an emphasis on financial viability and risk management, rigorous stress testing is used to strengthen control over the key risks to the business. The impact of the principal risks and possible mitigating activities are considered.

## **Dimensions (UK) Limited**

### **Operating and Financial Review**

#### **Principal Risks**

The following risks represent those observed as significant by the Board:

*Reduced public spending* - the sector that the Organisation operates in continues to undergo significant and radical change and it is clear that public services in the UK will remain under intense financial pressure for many years. It is also unclear how Brexit will affect the financial environment in the coming years. Dimensions has responded to the financial pressures through continuing to seek efficiencies and improve productivity, which has enabled it to reduce its overhead and operational costs whilst protecting the support that it provides to people.

*Regulation* - the expectations of Dimensions' customers regarding service quality are increasing and so its regulatory frameworks are continuing to evolve. In particular, the organisation's main regulators, the Homes & Communities Agency (HCA) and Care Quality Commission (CQC), have higher expectations of leadership and governance.

*Pensions* – Dimensions has participated in several defined benefit pension schemes. As for many other organisations, the liabilities of these schemes are currently greater than the market value of the assets due to reduced investment returns and increasing life expectancy rates. There is a risk that contributions may need to be increased in the future; or, where Dimensions has agreed to make annual contributions towards the deficit, as in the case of the Social Housing Pensions Scheme (SHPS), these contributions may need to be further increased. It should also be noted that if Dimensions were to cease to participate in the SHPS scheme, then the Trustees of SHPS could levy an employer debt to cover the excess liabilities, calculated on a buy-out basis. Typically, the debt calculated on a buy-out basis is much greater than the cost of funding the deficit through continuing contributions. The SHPS scheme actuary has estimated the employer debt that would have been payable if Dimensions had withdrawn from SHPS as at 30 September 2016 at £36.6m. There is no intention to withdraw from SHPS.

*Legislation and case law* – naturally, this will evolve over time. In certain cases there is a risk that it may do so in ways that could have a significant impact on Dimensions' costs. These changes are monitored by the Organisation and actions are implemented to mitigate against adverse effects where appropriate. The increasing national living wage (which will rise incrementally until 2020), including the way that HMRC interprets this in relation to time spent during sleep-in services and the enforcement of this, has the potential to significantly impact on Dimensions. The Organisation has developed plans to mitigate these risks.

#### **Future Development**

Looking forward, Dimensions will continue to introduce the Activate model of support to all Dimensions' services. This is a research based model of support built around eight structured domains and puts decision making closer to people we support by setting personalised and challenging goals with them, their families, and their staff.

The Group will continue to embed person-centred thinking approaches into the Organisation through initiatives such as improving how it recruits and performance manages its staff and places the people it supports at the centre of these key activities. Fundamentally, it will continue to be a leader in personalisation, helping individuals and their families to get the right support for them. It also helps other organisations on the path to personalisation through knowledge-sharing. In particular, it has developed, in collaboration with Helen Sanderson Associates, person-centred e-learning courses for its own use and has also made these available to other organisations.

Dimensions will continue to develop and improve its business systems. These initiatives will help it achieve further financial efficiencies as well as providing its managers with real-time information, which they can use to enhance how they manage their services and resources.



## **Dimensions (UK) Limited**

### **Operating and Financial Review**

#### **Value for Money Statement**

Value for money (VFM) is central to how Dimensions ensures current and future delivery of its objectives and describes the relationship between its costs and the quality of its services and housing. The organisation's VFM aims are to make sure that every penny counts and leads to tangible and ambitious benefits for the people it supports through finding the most effective balance between cost and quality in all areas of its work.

The Board has adopted a strategy for optimising value for money and has systems in place to ensure that it achieves what it sets out to do. This VFM report clearly identifies how value for money was achieved in relation to each of the strategic aims in 2016/17: Personalisation; Development; Engagement; People, and Organisation. The specific VFM performance of the Housing function is separately considered within this report.

This statement includes a critical assessment of the performance of assets and resources (including financial, social and environmental returns), taking into account the interests of and commitments to stakeholders, through external and internal benchmarking and monitoring performance over time. VFM is also assessed in the context of the risk management framework, which flows from the corporate strategy. VFM is monitored and scrutinised throughout the organisation and is reported on through our Governance structure, providing assurance on progress to the Board and Committees.

The Dimensions VFM Statement can also be found on its website at [www.dimensions-uk.org](http://www.dimensions-uk.org). It has been written for the people it supports and its tenants, their families and circles of support, its staff and its other stakeholders. The VFM Statement will be shared with our stakeholders through a range of methods, including an accessible / easy-read version and presentations to Council (the representative body made up of the people supported and tenants).

#### **How Value for Money is managed and monitored**

Social care contracts represent 98% of the Group's income and are awarded on the basis of competitive tendering, testing both quality and price. This process represents a significant and objective mechanism to ensure and evidence VFM in respect of Dimensions' social care contracts.

The Dimension's five-year plan documents the organisation's response to the various economic pressures it faces and incorporates an efficiency strategy, which sets targets for further improvements in VFM in specified areas. This, together with the risk management and stress-testing processes, ensure that the organisation remains financially viable and is therefore able to provide the people supported with high-quality and safe support, as well as to invest in research to continually improve the offering and invest in staff to develop them to their full potential.

The Board is satisfied with the progress made in 2016/17 in many areas of the VFM programme, although there are a number of key areas requiring further improvement.

In summary, the Board's assessment of the VFM performance in relation to each of the key strategic objectives (using the key Balanced Scorecard performance indicators), including the outcomes in respect of the VFM priorities set out in the 2016 statement, is set out below.

#### **Personalisation - To deliver 'just enough support' that reflects the aspirations of every person supported**

The introduction of the Activate support model was delayed by difficulties in identifying an appropriate digital solution. This is now complete following a rigorous testing process and successful pilot in February 2017, setting the path for rollout in 2017/18.

Performance against the key Quality & Safe Services performance indicators was as follows:

## Dimensions (UK) Limited Operating and Financial Review

Quality, Safe Services Status      **Amber**

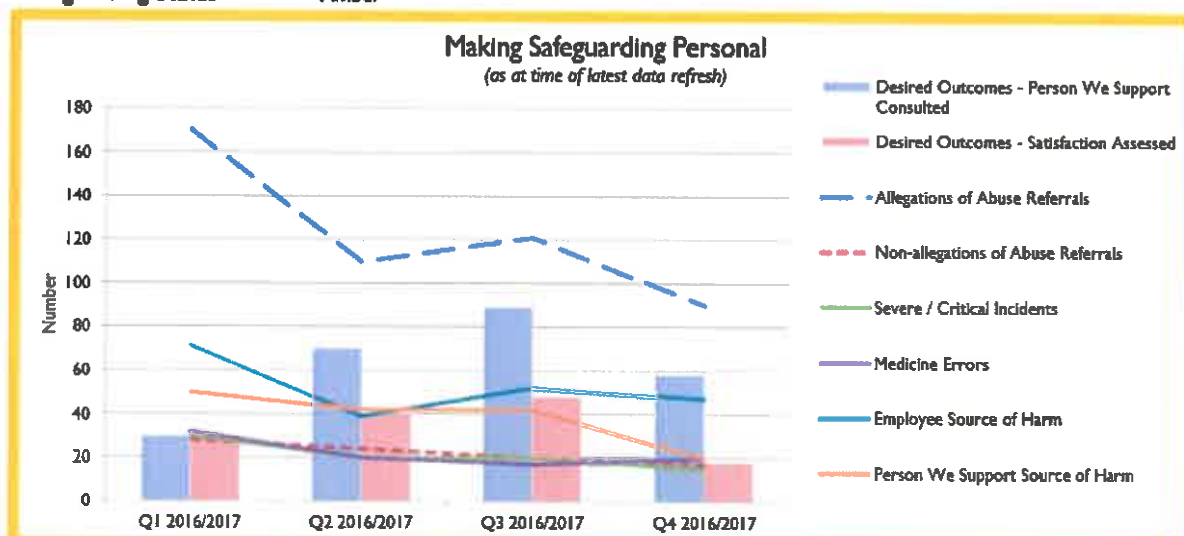


Following the change in the CQC inspection and rating regime during 2015/16, the group ended the 2015/16 year with a CQC/CSIW rating (percentage of services with a "good" rating) of 87% (down from a rating of 99% in October 2015, before the change). Although Dimensions continues to aim for 100% compliance, we expected continued immediate pressure on the rating in the short-term and so the target for 2016/17 was to maintain at 87% as good or outstanding. We were very pleased to end the year at 95%.

All services are regularly audited against the "Dimensions Standards" by the internal Compliance Auditors. These standards encompass the various regulatory requirements that apply to the organisation's different businesses and consequently set a higher-base standard than pure regulatory compliance. From April 2016, the internal audit approach changed to mirror that of the new CQC approach. Internal audits are now being carried out on an unannounced basis and these are revealing more areas for improvement. Under the new approach initial audits are prioritised on a risk-based approach to enable us to find more issues in the early stages. The current average score isn't therefore representative of services as a whole and meaningful data on this will become available during 2017/18. The expectation is that internal compliance scores will gradually increase over the coming year and the target is to finish 2017/18 at 80%.

Performance against the key Safeguarding performance indicators was as follows:

Safeguarding Status      **Amber**



## Dimensions (UK) Limited Operating and Financial Review

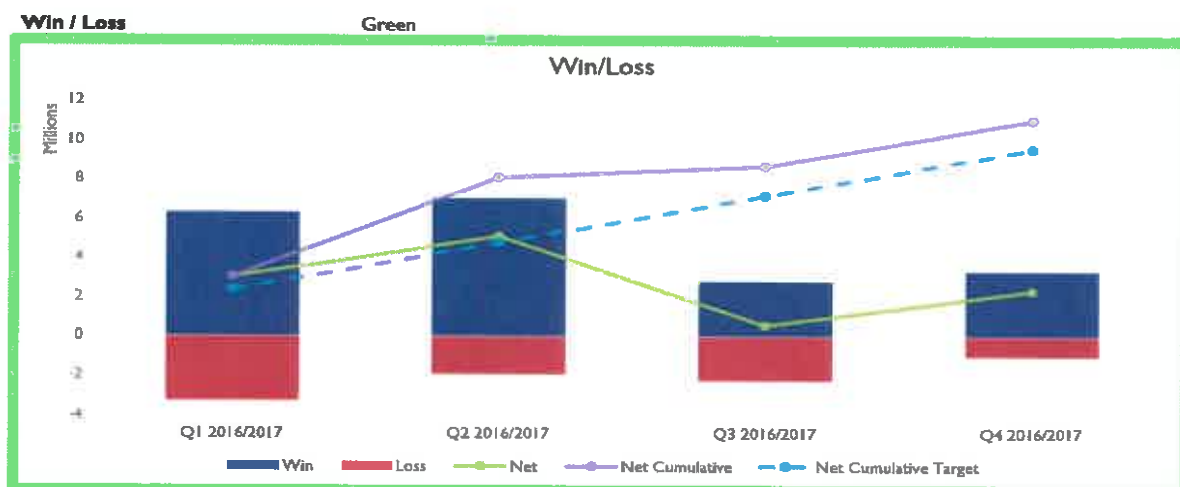
It is encouraging that the number of concerns raised is decreasing while number of people supported increases. We have been successful in reducing the number of people we support reported as the source of harm and the generally increasing trend of involving the person we're concerned about indicates that safeguarding is becoming more personal.

A 2016/17 VFM priority was to improve our complaints management methodology. Using the office of the Local Government Ombudsman we have identified and adopted best practice. Time to resolve complaints reduced from 21 to 19 days over the year and feedback received from complainants has been positive.

In 2016/17, further policy and guidance was published for how we support people in their banking arrangements, when Dimensions might act as Appointee and the role and responsibilities of Appointees and sign-posting to other organisations where independent advice is required.

### Development - To increase Dimensions' ability to support more people better

Performance against the key business Win / Loss performance indicators was as follows:



Overall (annualised) net growth of £11 million (2015/16: £9.0 million) in 2016/17 was ahead of target, with the first two quarters performing particularly well. Dimensions has continued to build on the significant progress made in the previous year with continued evidenced improvements in quality and price scores on tenders.

Dimensions was successful with all framework submissions made during 2016/17, ranking in the top three for many. Dimensions has also re-secured £4.5 million of existing work (2015/16: £5.3 million), representing 82% of re-tendered income secured.

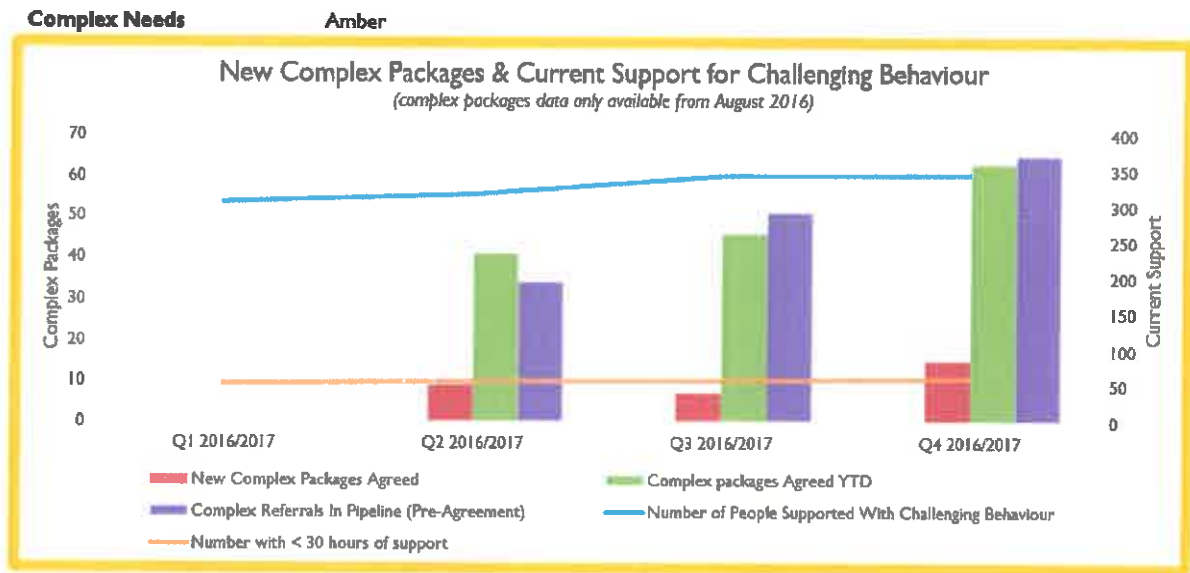
It was decided to delay until 2017/18 the development of new pricing strategies for Dimensions and Waymarks, including an effective approach to pricing which incorporates outcomes-based payments, due to the significant incremental effort required to support the Somerset transition. The price of the Waymarks service was, however, benchmarked against the alternative cost of a publicly available hospital bed. This demonstrated that the cost of the Waymarks' service is on average lower than hospital provision, and that the long term price is significantly lower.

In the previous year's report it was reported that Dimensions was working on a merger opportunity in a new geography, however due to market uncertainties including that arising as a result of Brexit the Board decided not to proceed.

In the year Dimensions was awarded the contract to provide Learning Disability services in Somerset through a new charitable subsidiary. This new subsidiary, trading as Discovery, commenced on April 1<sup>st</sup> 2017 supporting 900 people and involving the transfer of 1,300 staff.

## Dimensions (UK) Limited Operating and Financial Review

Performance against the key Complex Packages and Challenging Behaviour performance indicators was as follows:



The year saw a steady increase in new packages of support for people with complex needs and challenging behaviour, indicating we are making positive steps to shift the balance of support in this direction. We have continued research in 2016/17 into better practice in developing complex services, placing Dimensions in a strong position going into 2017/18 to respond to the government's Transforming Care commitment that people are not left in institutions where they can, and should, be living as equal and valued citizens in local communities.

In addition, Dimensions' subsidiary Waymarks has expertise in community-based support for people with complex histories. Waymarks has continued to gain a good reputation (recently winning an award for Provider of the Year) and, although not yet meeting its growth target, has maintained its service provision (March 2017, 38 people supported; 2015/16, 38; target, 70). Like many providers in Waymarks' sector, the challenges of implementing the transforming care programme are significant. Progress is slower than desired across the country for both commissioners and providers and targets are not being met nationally. Challenges include finding suitable housing and system blockages (such as funding disputes between Clinical Commissioning Groups and Local Authorities), which mean that this is resource-intensive work requiring courage and persistence. The target, at the end of 2017/18, is for Waymarks to support 55 people, who might otherwise be in a hospital setting or secure unit, to live safely in the community with reduced support, whilst ensuring that communities are safe.

Growth in Real focus has not materialised as expected and the project will close.

We are just starting to report on website, social and other media statistics and whilst it is too early to set meaningful targets for these, as a result of this tracking we will be able to do so for 2017/18.

### **Engagement - To build the organisation's reputation and relationships to achieve positive outcomes for the people supported**

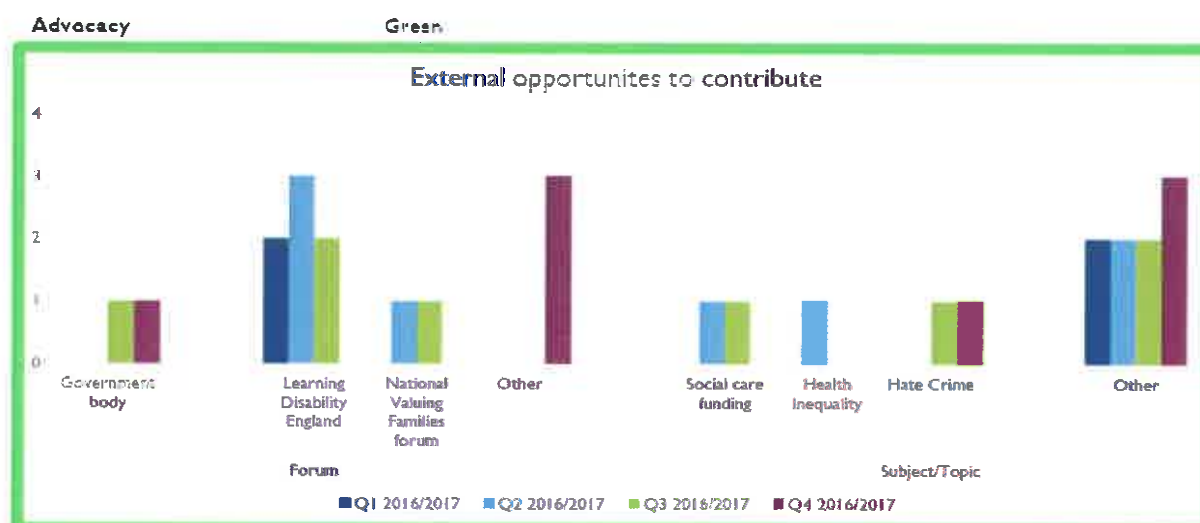
Performance against the key Employment Opportunities (for people we support) performance indicators was as follows:

## Dimensions (UK) Limited Operating and Financial Review



Targets to provide paid opportunities for people we support to work as Quality Consultants and Family Experts have been met. Looking forward, in 2017/18 we will also measure the variety of roles undertaken and the average hours worked.

Performance against the key Advocacy performance indicators was as follows:



This tracks external opportunities for people to get involved and be heard. Our target of 10 opportunities was exceeded with 14 being achieved in total. We are thinking deeply about how we can be more insightful in the area of advocacy and are developing new and more detailed measures in 2017/18.

Dimensions supported the formation and launch of Learning Disability England (LDE). LDE exists to challenge national funding issues, to improve opportunities and to change attitudes towards people with learning disabilities.

Dimensions and Ambitious about Autism continued to work in partnership throughout the year, in supporting the Autism Schools Trust (AST) and its first free school (The Rise), a school for children with high-functioning autism. During the year our partnership objectives were achieved with The Rise open and performing well and with AST becoming financially viable in its own right without any further contributions needed from its sponsors and with a strong financial model in place for the future. At the end of March 2017, The Rise had 64 pupil places available of which 58 were filled (target: 64 places, 54 filled). Dimensions is extremely proud of these achievements and of the social return on investment realised (£2,600 return for every £1 spent) and, although we are withdrawing as a sponsor from May 2017, now that our objectives have been achieved, we look forward to watching AST flourish.



## Dimensions (UK) Limited Operating and Financial Review

Our partnership work with the Helen Sanderson Foundation (HSF) and The Institute for Person Centred Approaches in India (IPCAI) continued to provide unique "buddying" opportunities for a number of Dimensions' volunteers who were matched with a number of learning disability project workers in India. The aims of our this work include spreading best practice, enhancing the profile of Dimensions, investing in what we believe is socially right and improving outcomes for people we support and those who work with us. The learning from the trip will be used to further develop our thinking about culture.

Our partnership with four national cinema chains offering 'autism-friendly screenings', continues and is now in its 6<sup>th</sup> successful year (tickets sold now total 78,000). In 2016/17 we extended our 'autism-friendly' product range working in some local areas to introduce 'autism-friendly' libraries.

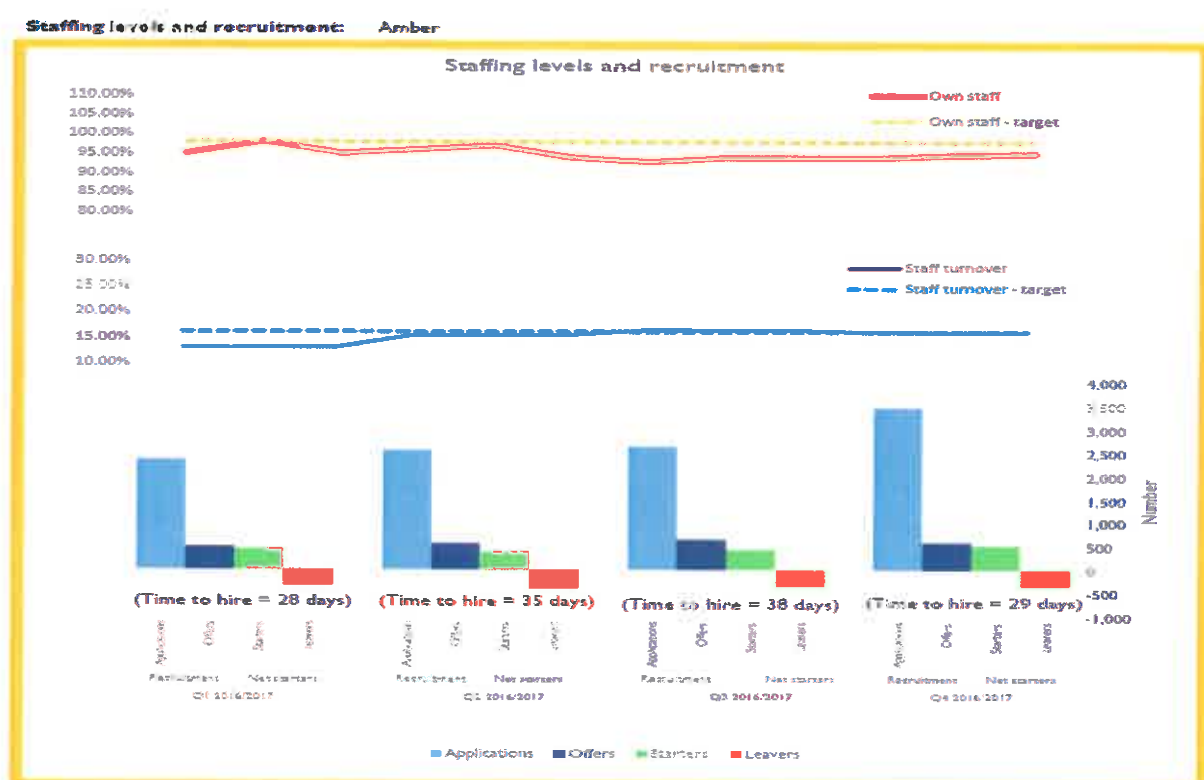
In October **#ImWithSam**, our hate crime campaign, was launched in parliament with BBC Breakfast coverage. Sixteen partner organisations signed up to support the campaign and we have received wide reaching engagement including education, police, government, Office of National Statistics (ONS), Home Office and strong media coverage throughout. The **#ImWithSam** campaign is making good progress with its intentions and will be an ongoing campaigning objective for 2017/18.

'Ask Your Question', a question time event organised by Dimensions in partnership with a local learning disability organisation, continued throughout 2016/17. Events give adults with learning disabilities the opportunity to have their say on issues affecting them and to pose questions to a panel of leading local politicians and campaigners ahead of local and national elections. The event forms part of Dimensions' wider "Love Your Vote" campaign to encourage democratic participation amongst people with autism and learning disabilities which saw voting amongst the learning disability population increase significantly. We have reignited the "Love Your Vote" campaign for the June 2017 general election.

### People - To foster an environment that attracts and retains the right people and encourages and recognises best practice

The quality and effectiveness of care given is significantly dependent upon the quality of the people delivering it. Therefore, the effectiveness of recruitment, staff retention and the way staff are managed and developed has a direct impact on the social and economic value for money provided.

Performance against the key Recruitment performance indicators was as follows:



## Dimensions (UK) Limited Operating and Financial Review

There has been good progress in candidate attraction following a digital marketing campaign and other initiatives to differentiate our employment offer (11,896 completed applications received during 2016/17 and 1,839 new starters). This increase has caused some slowdown in time to hire figures (target: 25 days) which, in a competitive candidate driven market, could be contributing to the high withdrawal rate (27%). Delays with Disclosure and Barring Services (DBS) checks and gaining the required references remain a challenge to reducing time to hire, although a new candidate management system and other initiatives in 2017/18 will improve figures. Employee turnover is currently at 16.3% which is below the sector average of 16.8%.

Dimensions' own staff contracted hours and bank relief staff availability totalled 95% (target 98%) of the hours we were contracted to deliver (2015/16: 93%). Although improved, this was below expectations and contributed to higher agency costs.

The hourly pay of support workers and lead support workers is regularly benchmarked against local employment markets and adjusted to ensure that market rates are paid in all areas to support the recruitment of good staff. We have also had to prepare for the challenge of the increase in the National Living Wage (NLW) to £7.50 per hour on 1<sup>st</sup> April 2017 and look at ways that we can differentiate our employment offer from other employers who have comparable salary arrangements as we become a NLW employer in many parts of the country.

Performance against the key Staff Capability performance indicators was as follows:



In 2016/17, we modernised our approach to technology-enabled learning, implementing a new online learning platform. This platform allows us to realise efficiencies in how we induct and on-board new starters and to ensure that they remain up-to-date with essential mandatory training more efficiently. The improvement in average mandatory performance to 82% in 2016/17 (2015/16 75%) is welcome and we continue to work towards our 90% target (allowing for time to train new joiners and those ineligible to work). The improvement in the conduct to capability ratio is welcome and is the result of policy changes and focussed work by the HR Business Partners.

## Dimensions (UK) Limited Operating and Financial Review

Dimensions' work around Equality and Diversity during 2016/17 has continued with the focus being the employment of people with a disability and the recruitment of managers from a BME ("Black, minority, ethnic") background. We have achieved Investors in Diversity (IID) Level 2 this year and were the only social care organisation in the Top 100 Investors in Diversity Employers. Currently, 6.05% of managers are from a BME background (target: 5.8%, 2015/16: 6.1%) and we are in-line with national statistics. We have also achieved the Disability Confident Level 2 which we use positively to recruit people who are disabled, although no data is currently available for people declaring a disability.

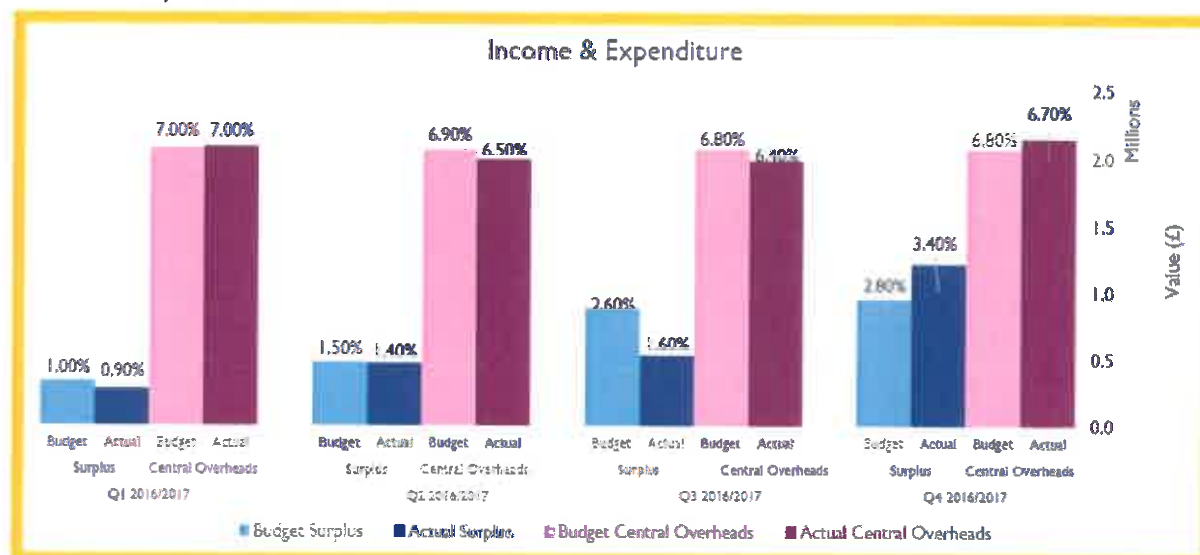
### Organisation - To maintain financial sustainability and use resources effectively and efficiently

Dimensions is only able to deliver its social objectives if it remains financially viable and efficient. It ensures this through focusing on the following key elements:

- Undertaking risk management and stress testing. Stress testing helps Dimensions to understand how much it can stretch assets whilst still managing risk at acceptable levels, in order to maximise their effectiveness. The impact of the principal risks and possible mitigating activities are considered.
- Developing a five-year plan that is based on a clear understanding of the key drivers of the cost of care. The plan clearly describes the financial pressures expected to impact Dimensions over a period of time and documents how the organisation intends to manage and respond to these risks. It also informs actions and plans to achieve acceptable margin and liquidity targets. The plans and targets are then reflected in budgets and forecasts.
- Effective monitoring of financial performance. In addition to regular executive management review, the financial performance of the organisation, including achievement of targets and efficiency plan savings, is monitored by the Finance and Resources Committee and the Board to ensure that budgets and targets are met. Dimensions is also subject to Care Quality Commission financial monitoring.

Performance against the key Income & Expenditure performance indicators was as follows:

Income & Expenditure Status: **Amber**



The underlying Operating Surplus before exceptional item at 1.9% was a little lower than the 2% target.

Principal factors affecting the Operating Surplus were as follows:

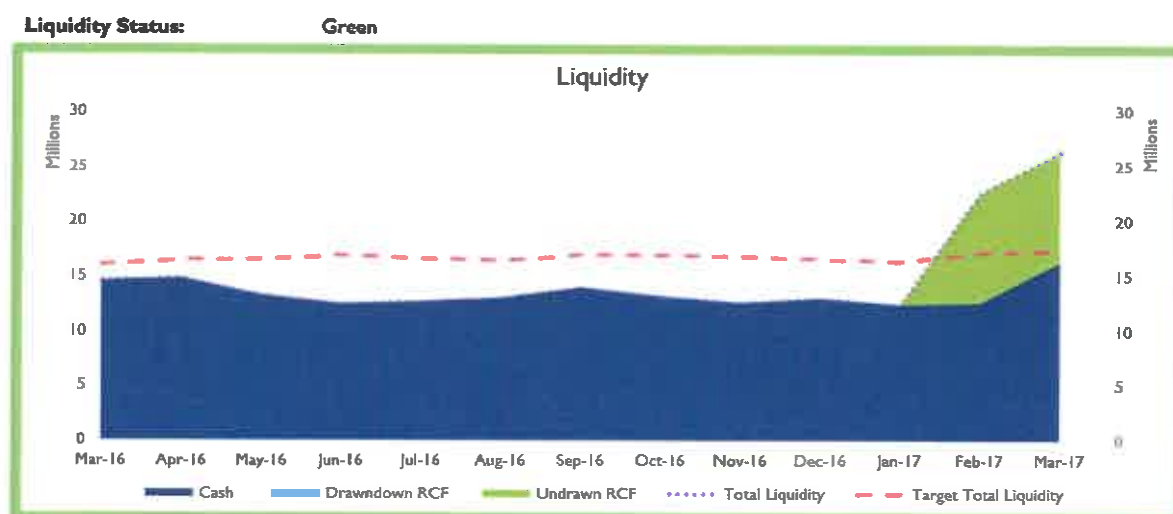


## Dimensions (UK) Limited Operating and Financial Review

- Although staff productivity was overall in line with budget (80%), the target for our own staff levels available was not met (actual 95%: target 98%). In addition, working days sickness per employee has increased slightly to 7.8 days (target: 7.0 days, 2015/16: 6.3). Some of the increase is as a result of staff joining from other organisations with protected sickness pay which is higher than that paid to existing staff and where sickness levels are therefore higher. These were factors in higher than budgeted agency use and hence higher labour costs.
- Net growth was higher than budgeted. This included additional income in relation to the agreed transition costs for the Somerset contract. However, the growth achieved was less than expected for the Waymarks and Real Focus business streams and as a result these parts of the group failed to meet their budgeted surpluses.

Note that the underlying Operating Surplus for 2016/17 above is before the exceptional sleep-in back-pay cost recognised in the year (£2.1m). There has been a lack of clarity over whether National Living Wage (NLW) should apply to all time spent on sleep-in shifts for a number of years. There has now been further case law and a change in the way HMRC enforces the legislation. As a result, the Board decided that it was appropriate to revise the method for paying for sleep-in shifts. It was agreed with UNISON that these adjustments would be back-dated to July 2016. Negotiations are underway with all commissioners of services to establish revised pricing for sleep-ins that covers the additional costs.

Performance against the key Liquidity performance indicators was as follows:



Cash liquidity was below the two months' of payroll target for much of the year. During March 2017, the lowest level of £10.2m was recorded (two months' payroll costs at this point were approximately £17m) although this had increased to £16.3m by the month end due to receiving the first Somerset payment. To some extent, the reduction in cash liquidity during the year was as a result of planned capital expenditure. In addition, there was the impact of the initial outlay for the Somerset transition (£1m), the sleep-in back-payments (£2m), changes in payment terms and the impact on working capital of growth. However, accrued income was also higher than anticipated, which also led to a reduction in cash liquidity. The Board recognised that some of the factors influencing cash liquidity were long-term and decided that a bank facility should be arranged to provide additional cash liquidity. The Board agreed, however, that a short-term reduction in cash liquidity was acceptable while the new facility was arranged. A revolving credit facility of £10m was agreed with HSBC plc in 2017 with an initial draw-down of £2.5m. The Board also agreed to revise the target of minimum total liquidity to 1.5 months' payroll costs and minimum cash and cash equivalents of 1 month of payroll costs due to the short-term impact of dealing with the sleep-in cost issue.

Although the actual performance was below target in 2016/17 for both Operating Surplus and cash liquidity, the Board is satisfied that this was primarily a result of significant stresses in the sector rather than an internal failure to deliver VFM and that appropriate actions to address the issues identified were taken in a timely manner.

## **Dimensions (UK) Limited**

### **Operating and Financial Review**

Efficiency remains a prime focus for Dimensions. Key factors in relation to efficiency, leading to value for money in 2016/17 were:

- Contracts that are not capable of meeting Dimensions' minimum viability threshold (able to cover their direct costs, overhead and make a small contribution to surplus) are critically examined and improvement plans developed to restore a satisfactory trading position. Where this has not been possible then the difficult decision to terminate these contracts has been taken. In 2016/17, contracts totalling £1.0m were terminated on this basis (2015/16: £0.8m).
- Organisational productivity is closely measured and monitored. This is the maximisation of the support hours provided from the total contracted hours' available (including holidays, sickness and other non-productive time). In 2016/17 this averaged 80%, a small decrease on the 2015/16 figure of 81% but in line with the targets set.
- Business Support function overhead is benchmarked with peer group organisations through the Agenda Consulting Third Sector Financial Management Benchmarking exercise. Overall, there was a slight decrease in overhead at 7.2% as a percentage of direct costs (target 7.1%, 2015/16: 7.7%). The expansion into Somerset, however, has allowed us to make more efficient use of our overhead and in 2017/18 this percentage is expected to fall to 5%.

In the 2016 VFM report we noted our intention to upgrade data security measures, including new measures to enable encryption and to control portable devices. Mobile Device Management was introduced to control portable devices and the roll-out on encryption has begun. Some delays were experienced in the encryption project due to staff availability and the competing demands of the Somerset integration, however, the delay was not assessed to be a significant risk.

#### **Dimensions' future plans for Value for Money**

The Board's assessment of the 2016/17 VFM performance is that reasonable progress has been made despite an exceptionally challenging year, with satisfactory achievement of most targets. The challenges included the very demanding austerity conditions in which Dimensions operates, the significant challenge presented by the change in how sleep-ins are remunerated and the management resource required to create the Somerset subsidiary and to transition employees and services in April 2017. Dimensions is well placed to build on what has been achieved to date, although the Board recognises that there is more to be done to fully achieve all targets and to complete initiatives that were postponed until 2017/18 as we focussed on immediate priorities. Note that sleep-in remuneration remains a significant risk in 2017/18, as it is necessary to revise pricing with the majority of commissioners.

The organisation's key VFM priorities for 2017/18 will be:

#### ***Personalisation***

- to roll out the Activate model of support to all Dimensions' services. Activate puts decision making closer to the people we support by setting personalised and challenging goals with them, their families, and their staff and is proven to improve quality of life for people and their support teams,
- to work closely with Somerset CC to improve care and increase opportunities for people we support in Somerset,
- to improve the health of the people we support by influencing health inequalities within Dimensions and externally leveraging other external bodies as appropriate.

#### ***Development***

- to achieve the planned growth of the complex services portfolio – including Waymarks,
- to meet the KPI for success in re-tendered services within Dimensions regional business units,
- to finish the work on a pricing strategy for complex services,
- to explore new approaches to pricing / payment, particularly outcomes-based payments and the potential for Dimensions to use social investment.

## **Dimensions (UK) Limited**

### **Operating and Financial Review**

#### ***Engagement***

- to introduce a new Public Affairs team with a remit to build the public affairs profile of Dimensions as an organisation influencing policy and affecting change,
- to achieve the eight objectives identified by the **#ImWithSam** campaign. The campaign promotes the message that learning disability and autism hate crime is unacceptable – and that something can be done,
- to support people with learning disabilities and autism to understand and exercise their right to vote so that their voice is heard.

#### ***People***

- undertake a root and branch review of the performance management system to ensure the system delivers intended outcomes and reflects the Activate support model,
- introduce a new candidate tracking system (Recrutive) which will enhance the candidate experience when applying for roles and will assist managers in reducing time to hire figures,
- improve recruitment by reviewing our values based recruitment approaches and closely analysing and acting on the reasons for staff leaving.

#### ***Organisation***

- to complete negotiations with all commissioners to achieve satisfactory contract pricing in line with our increased costs for sleep-in services,
- to complete the upgrade to our data security measures, in particular the encryption of mobile devices and implementation of a plan to achieve compliance with the new General Data Protection Regulations by May 2018,
- to establish covenant reporting in relation to the new bank facility to ensure that the organisation retains access to appropriate funding, and
- to begin the modernisation of the new Somerset services.

### **Housing Assessment of Value for Money**

In 2016/17, Dimensions began to address some of the larger-scale recommendations made in the Ark Housing Report (commissioned by Dimensions in 2014/15 to review various aspects of the organisation's housing management and maintenance service). This, together with the Dimensions 2020 5-year Strategy, led to the development of a new Housing Strategy for Dimensions to align the housing provision (capacity and capability) and the supply of new housing with the goals of the Company. The strategy describes how the organisation will take a firmer grip of the built assets at its disposal and optimise their value and usage for the benefit of the people we support. Its overall objective is to support the Board's ambition to support more people with complex needs in direct response to the Transforming Care agenda.

### **Return on assets and management of assets**

Dimensions aims to deliver a social and financial return on its housing assets and regularly assesses this return for individual properties and considers whether the right assets are held. During 2016/17 an adequate return could not be demonstrated for one property and this was sold (2015/16: eight properties). For 2017/18, Regional Asset Management Panels have been created (one for each region, 4 in total) in accordance with the Housing Strategy to review the use of each asset locally.

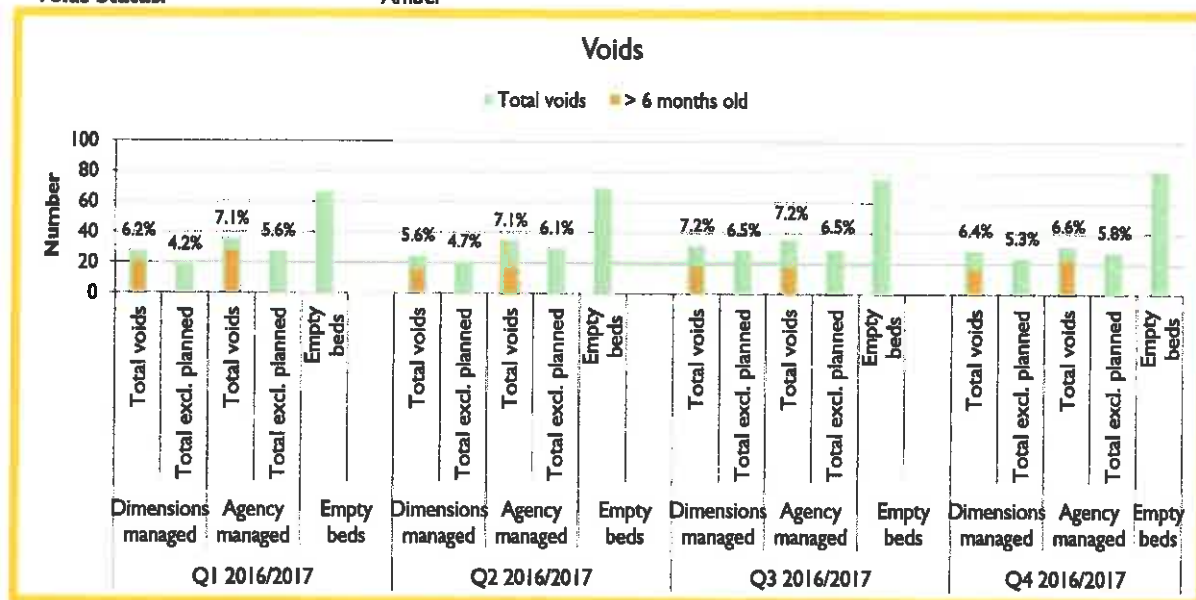
Note that we continue to experience difficulties in obtaining agreement to recycle the resources in ex-NHS properties, when these become unused assets. Through the Voluntary Organisations Disability Group, Dimensions is influencing the NHSE transforming care agenda to help ameliorate this problem.

Performance against the Voids performance indicators was as follows:

## Dimensions (UK) Limited Operating and Financial Review

**Voids Status:**

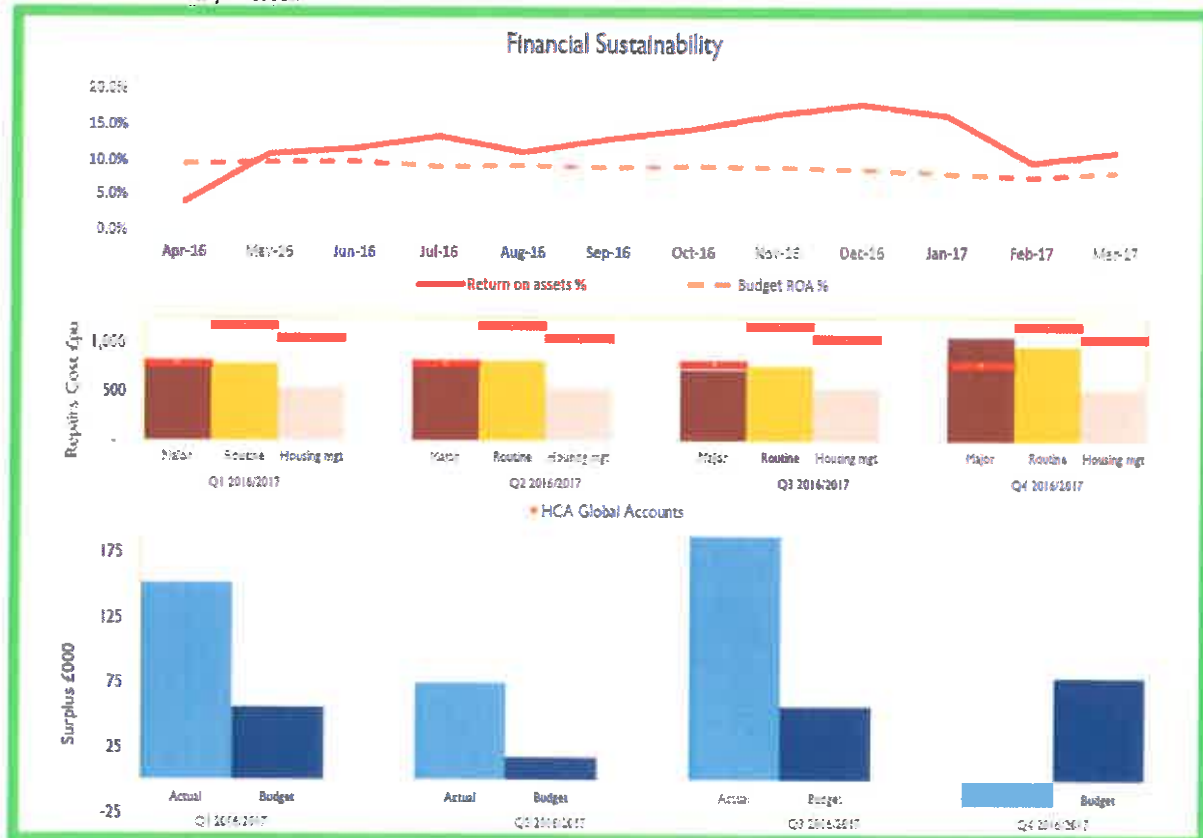
**Amber**



Overall, voids remained much the same as the previous year at 6.4% (6.3% in 2015/16) in Dimensions managed stock and reduced to 6.6% from 7.3% in agency-managed properties.

Performance against the key Housing Financial performance indicators was as follows:

**Financial Sustainability: Green**



## **Dimensions (UK) Limited**

### **Operating and Financial Review**

The financial return is an objective calculation on the financial data and is the margin as a percentage of the housing assets. This tells us how well we are using our assets to generate surplus. Overall, the financial return on housing assets was 12.3% (2015/16: 17.2%). The reduction in return is primarily due to higher maintenance spend (£1.68m up to £1.75m) reducing surplus. The social return is harder to measure and processes are continually being developed to enable the organisation to review and measure this more systematically. Recently the HAT Model has been used to assess the return on certain projects.

The major repairs unit cost for 2016/17 averaged £1,055 (2015/16, £1,059: Global accounts traditional RPs benchmark: £880 in 2015/16). Much of Dimensions' stock is pre-Second World War and a number of homes are from the 19th century. The age of properties and the different needs of Dimensions' tenants (who require more robust (expensive) fittings which also are more likely to require more frequent repair/replacement) mean that the cost of repairs is expected to be higher than for general needs registered providers. Dimensions' assessment is that because of these factors, a repairs charge that is 10% higher than the global accounts average is reasonable and does represent value for money. Also, as noted in last year's report, the costs for 2015/16 and 2016/17 are affected by additional investment (approximately £50k per year), reflecting the under-resourcing of major repairs prior to 2013/14 and Dimensions' commitment to catch up. It is anticipated that there will be a reduction in the cost of cyclical works from 2017/18 as a result of this investment and the use of maintenance-free alternatives.

The routine / planned repairs unit cost for 2016/17 averaged £962 (2015/16, £889: Global accounts traditional RPs benchmark: £1,000 in 2015/16). In part, these costs were incurred whilst undertaking major cyclical repairs.

Dimensions' housing stock is fully compliant, including in respect of gas certification, electrical safety, legionella risk assessments, asbestos risk assessments and fire risk assessments.

Housing management for 2016/17 was charged at £1,040 per unit (2015/16, £1,040: Global accounts traditional RPs benchmark: £1,040 in 2015/16).

Dimensions challenges itself in respect of value for money in its repairs service by:

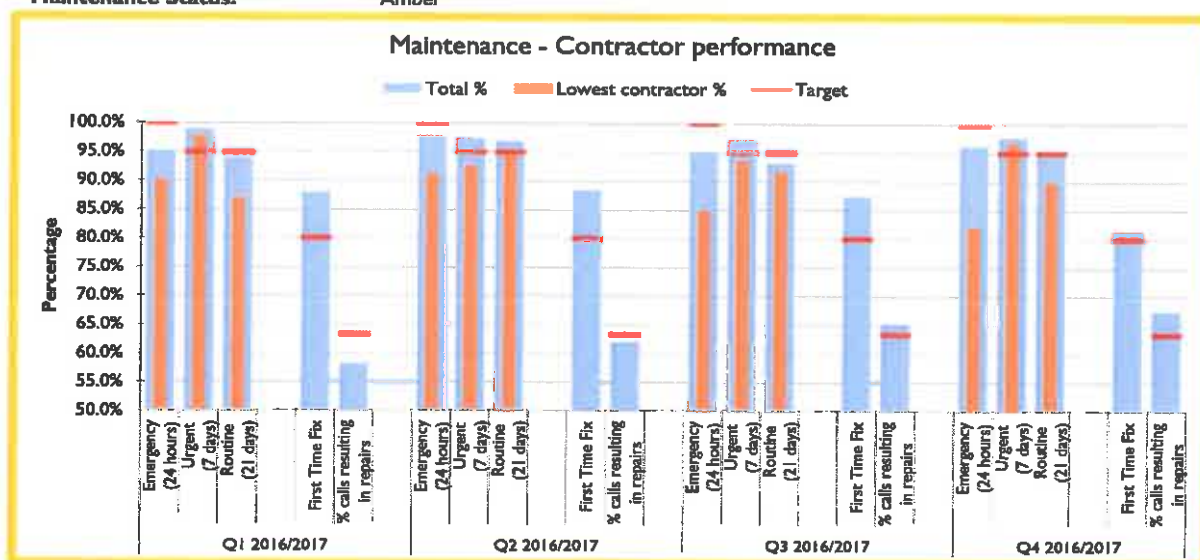
- ensuring that Stock Condition surveys are performed regularly for all properties and that the repairs identified are promptly and efficiently carried out. This ensures that properties remain of a high standard promoting the well-being, comfort and safety of tenants,
- performing regular interim inspections on properties and identifying major repairs that cannot wait until the next Stock Condition Survey,
- monitoring tenant satisfaction and complaints in respect of repairs,
- aiming to remain 100% compliant in respect of safety matters (gas, electrical safety, legionella, asbestos, fire risk assessments), to protect the well-being of tenants. Dimensions does not compromise on safety,
- regularly tendering for maintenance services, including the call centre, and selecting contractors on the basis of high quality at a competitive price. A re-procurement of the maintenance call centre is scheduled in 2017/18, and
- monitoring the performance of contractors and the call centre to ensure that tenants receive the service that Dimensions expects at a price that is right.

Performance against the Maintenance Contractor performance indicators was as follows:

## Dimensions (UK) Limited Operating and Financial Review

Maintenance Status:

Amber

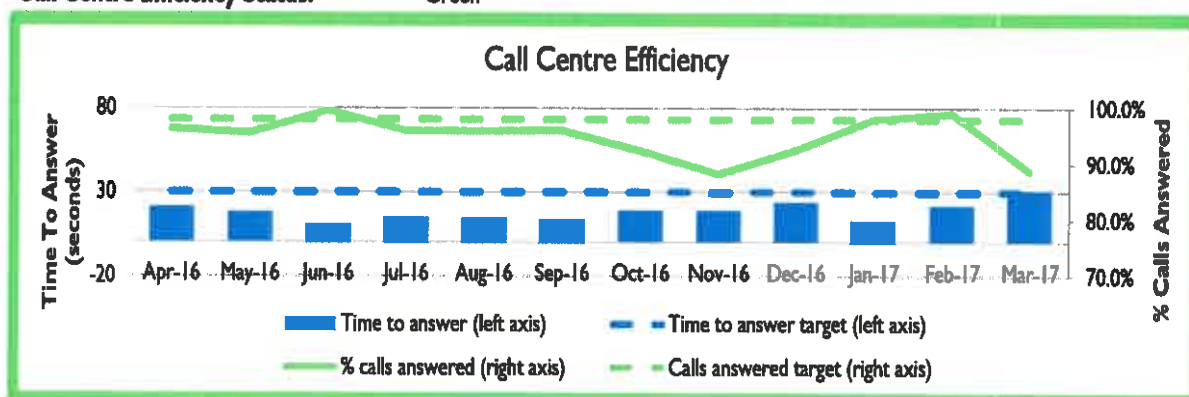


Overall, there was a reasonable performance by contractors with 96% of emergency calls responded to within 24 hours (target: 100%, 2015/16: 97%), 98% of urgent calls within 7 days (target: 95%, 2015/16: 97%) and 95% of routine calls within 21 days (target: 95%, 2015/16: 93%).

Performance against the Call Centre Efficiency performance indicators was as follows:

Call Centre Efficiency Status:

Green



The average call centre response during the year was 95% which was an improvement on 92% in the prior year, although still below our target of 98%. The average time to answer was 19 seconds (target: less than 30 seconds).

### Tenant Engagement

The organisation engages with its tenants throughout the year in a number of ways and the tenants' report is produced annually. This allows the organisation to share with tenants how it has performed in relation to the standards set by the Homes and Communities Agency. Four tenants' meetings were held in the year, an increase on the three held in 2015/16, at which Dimensions could engage with its tenants over a range of matters connected to their housing.

There are also two tenant representatives on the Dimensions Council. This body exists to give a voice to Dimensions' tenants and the people supported, and helps to guide the organisation. At the time of preparing this statement, four of our tenants are participating in what we call 'Experts by Experience' training with the intention that they can become quality checkers for our service, offering a unique resident insight into the quality of our homes and services. We are confident that this will have positive impact upon value for money.

## **Dimensions (UK) Limited**

### **Operating and Financial Review**

Each year, a tenants' survey is conducted to understand how they perceive the service provided and what, if anything, they would like to see changed. This is a very important mechanism for engaging with tenants and for gaining an understanding of what can be improved. The survey produced very encouraging feedback, the key learning from which is:

- Communication continues to improve with more people acknowledging that they have seen the Tenants' Report (90% compared to 83% in 2015/16) and only 8% of tenants noting that they did not have an easy-read tenancy agreement (2015/16: 11%). We still want to improve in this area and in 2016/17 a newsletter was instituted to improve the way we interact with our tenants. In addition, a visual tenancy agreement has been introduced to aid the understanding of the rights and responsibilities of our tenants, and
- Tenants were largely satisfied with the quality of work performed on their behalf with 97% of tenants saying that Dimensions staff do what they say they will do (2015/16: 96%). First time fix in 2016/17 was 86%, up from 80% in 2015/16.

### **Housing Development**

A key factor in the care of people with a learning disability/autism is their home. The ability to find and deliver new homes for people is therefore an important component of delivering value for money. The Dimensions Housing Strategy sets out how we will seek to optimise the use of our assets to improve supply. It describes how Dimensions will bring its assets back into management, dispose of those that cannot be readily or economically brought to the standard we require and invest in premises that can be the venue for exemplar support.

Critical to the Strategy is a renewed focus upon 'brokerage', accessing accommodation owned by other landlords that can provide a good home for the people we support. Whilst we perform this task nationwide, Dimensions manages a specific Housing Brokerage service in Essex on behalf of the County Council. This bespoke service assesses the needs of the individual and then finds them a home that matches their needs, giving the individual independence and choice thereby improving their quality of life. Promoting people's independence in this way also leads to reductions in support costs for commissioning authorities. In 2016/17, the Essex service supported 102 people into new tenancies (target 80 people, 2015/16: 70 people) and advised a further 130 people about their housing options (2015/16, 130 people). Dimensions, as part of its strategy implementation, will measure all brokerage in 2017/18.

### **Dimensions' Housing future plans for Value for Money**

The priorities for delivering further improvements to value for money in respect of the housing function are as follows:

- to implement the new Housing Strategy. In particular, this will include how housing solutions are developed to meet the needs of the tenants and people supported,
- to continue to develop and expand our housing brokerage offer across the Group,
- to bring the management of Dimensions' stock in-house to achieve better economies of scale in delivery and improve customer satisfaction,
- to re-procure the repairs contact centre to reduce the cost of call-handling, and
- to procure a new housing system to improve efficiency and support mobile working.



## **Dimensions (UK) Limited Governance Report**

### **Statement on Internal Controls Assurance**

The Group's system of internal controls assurance is based on an ongoing process designed to identify the principal risks to the achievement of the Group's policies, aims and objectives; to evaluate the nature of those risks and to manage them efficiently, effectively and economically. The internal controls assurance framework is in place and embedded within the organisation.

### **Internal Controls Assurance Framework**

The Group Board, primarily through the Group Finance Director, is responsible for ensuring the effectiveness of the system of internal controls assurance. The framework adopted by the Group comprises:

- corporate governance oversight through the Board and Committee structure,
- best-practice internal controls embedded in Group policies and procedures,
- independent assurance through internal and external audit and the regulatory regime,
- performance monitoring of the control environment both financial and operational, and
- continuous risk assessment and active management of business risks.

### **Statement of Compliance**

The Organisation undertakes an assessment of its compliance with the HCA's Governance and Financial Viability Standard annually and certifies that it has complied with the standard.

### **Modern Slavery and Human Trafficking Statement**

Dimensions is committed to preventing modern slavery in its corporate activities and supply chains. The Group's full statement can be found on the Dimensions website at [www.dimensions-uk.org](http://www.dimensions-uk.org).

### **Corporate Governance**

#### **Code of governance**

The Board fully supports the National Housing Federation Excellence in Governance Code for members published in 2015 and maintains an appropriate system of corporate and financial controls consistent with the requirements of the Code.

#### **Policy for admitting new shareholders**

Although the shareholding is open, it is envisaged that the admission of new shareholders will, in the future, be restricted to persons applying to become members of the Board or one of the Board Committees.

People supported are not represented on the Board. However, there continues to be a strong connection through the regional "Everybody Counts" meetings with people who use the Group's services. From these meetings, a Council of the people supported (including tenant representatives) has been formed to advise and give direct feedback to the Board. The Council is helped to have a voice, by facilitation, within the organisation, with our Board, the Executive Team and the Leadership Group. In addition the Council is supported in identifying and grasping opportunities to have their voice heard outside Dimensions with opinion formers and other key players in our sector.

#### **Board members' interest in shares**

Each elected member of the Board who held office at 31 March 2017 had an interest of one ordinary £1 share in the shares of Dimensions (UK) Limited at the beginning (or date of appointment if later) and end of the financial year. The shares are non-equity and provide no financial return under any circumstances. The Chief Executive holds no interest in the Group's share capital.



## **Dimensions (UK) Limited Governance Report**

### **Composition of the Board and key roles**

The Chair and other Board members also chair and attend meetings of the Board Committees and the operating subsidiaries. Board members are remunerated for their contribution to the Dimensions (UK) Limited Board. The role of Chair of Dimensions (UK) Limited is separate to that of Chief Executive. The Chief Executive is a co-opted member of the Board. The co-Chair of the Council and the Chair of the Family & Friends Forum are also co-opted members of the Board.

### **The skills, qualities and experience required by the Board from its members and committee members**

The Board audits the skills, qualities and experience that it requires. The following areas have been identified as being of particular importance and the Board seeks to ensure that these are appropriately covered:

- Experience of providing or receiving care and support (in either a personal or professional capacity)
- Knowledge of the social care and housing sectors and their regulation
- Legal knowledge or experience relevant to housing and social care
- General business skills at senior executive or Board level, including in financial management, human resources, public relations, marketing and communications and information technology
- Specialist knowledge or experience, including in employment services, providing services for children and young people, special educational needs, managing in the public sector, commissioning or procurement, risk management, change management and strategic business planning
- Knowledge of processes that lead to value for money and continuous improvement
- Experience of charities and the voluntary sector, including fundraising, campaigning and volunteering
- Experience of housing management and property/asset management
- Understanding good governance, including stakeholder involvement and engagement
- Understanding of equal opportunities and diversity
- Representation of the views and aspirations of the people Dimensions supports and their families

### **Shared responsibility**

Members of the Board recognise their shared responsibility for the decisions of the Board and for ensuring that the financial affairs of Dimensions (UK) Limited are properly conducted. A Register of Members' and Senior Officers' Interests is in place.

## Dimensions (UK) Limited Governance Report

### Meetings of the Board

The Board met nine times during the year. Member attendance at Board and Committee meetings was as follows:

	Board	Group Audit Committee	Human Resources Committee	Finance & Resources Committee	Quality & Practice Committee	Development Committee
Number of meetings >	9	4	4	5	4	3
Helen Baker (Chair)	9/9	-	4/4	5/5	-	-
Anne Barnard (Vice Chair)	9/9	4/4	3/3	5/5	-	-
Calum Mercer	7/9	2/3	-	5/5	-	3/3
Christine Cryne	8/9	-	-	-	4/4	3/3
Jonathan Mason*	8/9	-	-	-	-	3/3
Kevin Lewis	8/9	-	1/1	-	3/3	-
Gordon Lyle	7/9	1/1	4/4	-	-	1/2
Rosalind Bergemann**	6/9	4/4	-	-	-	-
Nick Turner***	4/5	2/2	-	-	-	-
Sherry Malik***	4/5	-	-	-	1/2	-
Steve Scown (co-optee)	8/9	-	-	-	-	-
Susan Kirkman (co-optee)+	6/9	3/3	-	-	4/4	-
Paul Davies (co-optee)#	9/9	-	-	-	4/4	-

\*Resigned 1 June 2017

\*\*Resigned as a Board member 1 May 2017 and became a co-optee

\*\*\*Appointed 15 November 2016

+Chair of the Family & Friends Forum

#Co-Chair of the Council

**Group Audit Committee** - The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee is chaired by Anne Barnard on an interim basis. The purpose of the Committee is to ensure that an effective system of internal and external controls operates in the Dimensions Group, covering risk management, fraud and ethics, financial reporting, legislation, regulatory requirements and the internal and external audit functions.

**Human Resources Committee** - The Committee consists of at least three non-executive directors, one of whom is the Chair of Dimensions. Two non-executive directors constitute a quorum. The Committee is chaired by Gordon Lyle. Its purpose is to take a corporate overview of Dimensions' Human Resources strategy, ensuring effective contribution to organisational performance and to assist the Board in the task of remunerating executive and non-executive directors.

**Finance and Resources Committee** - The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee is chaired by Calum Mercer. The purpose of the Committee is to ensure that a detailed review of performance in relation to the finances and resourcing of Dimensions and all of its subsidiaries is undertaken on a regular basis.

## **Dimensions (UK) Limited Governance Report**

*Quality and Practice Committee* - The Committee consists of at least four non-executive directors, including the co-opted representatives of the Family & Friends Forum and the Council. Three non-executive directors constitute a quorum. The Committee is chaired by Christine Cryne. The purpose of the Committee is to consider matters relating to the quality of service provided and to receive reports from the Safeguarding Panel.

*Development Committee* - The Committee consisted of at least three non-executive directors. Two non-executive directors constituted a quorum. The Committee was chaired by Jonathan Mason during the year. The purpose of the Committee was to look at business development, mergers and acquisitions. In June 2017 it was decided that there was no longer a need for a permanently constituted Development Committee and that the routine functions of the Committee would be taken up by the Board and its other Committees.

The Boards of Waymarks Limited, Outreach 3 Way Limited and Dimensions Somerset SEV Limited each met at least six times in the year.

### **Internal Controls**

The Group Board has ultimate responsibility for ensuring that the Group has in place a system of internal controls assurance that is appropriate to the business and operating environment. These controls are designed to give reasonable assurance with respect to:

- the reliability and accuracy of financial information used within the Group or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposal; and
- the quality of service provision.

The controls include formal policies and procedures, including the documentation of key systems and rules relating to the delegation of authority. These allow the monitoring of controls and restrict the unauthorised use of the Group's assets. In addition, experienced and suitably qualified staff are employed to take responsibility for important business functions.

### **Independent Assurance**

The Board gains significant assurance through independent assessments of internal controls. Internal audit services in the year were provided by BDO. Where specialist knowledge of a particular area is required, other independent organisations are used to conduct the internal audit review.

As part of their duties, the internal auditors carry out independent checks on the control process on behalf of the organisation and submit regular reports that include independent opinion on the adequacy and effectiveness of the organisation's system of internal controls assurance together with recommendations and proposals for improvement. An objective assessment is made on the effectiveness of the overall framework of internal controls and whether this is appropriate to the organisation and embedded. The BDO assessment for 2016/17 gave reasonable assurance.

All internal audit reports are considered by both the Group Audit Committee and the Executive Team, and are referred to the responsible Board Committee and the Board when appropriate.

KPMG LLP undertakes the statutory external audit of Dimensions (UK) and its subsidiaries. They also report on the adequacy and effectiveness of the organisation's system of internal financial control through, if considered necessary, the qualification of the annual financial accounts, the 'management letter' and through ad hoc assessments and reviews.

## **Dimensions (UK) Limited**

### **Governance Report**

#### **Performance Monitoring**

The financial and operational performance of the Group is monitored by:

- staff appraisal arrangements to maintain standards of performance,
- forecasts and budgets to allow the Board, subsidiary boards and management to monitor key business risks and financial objectives and progress towards financial plans set for the year and the medium term,
- management accounts to provide relevant, reliable and up-to-date financial and other information and significant variances to budget investigated,
- all significant new initiatives, major commitments, asset disposals and investment projects being subject to formal authorisation,
- a programme of service financial audits, which regularly review and test the financial controls operating at the service level. This is augmented by the regular Compliance Auditor service audits, through which key financial controls are reviewed and any concerns escalated for a more in-depth review,
- a set of quality standards (Dimensions' Standards) that set the expectations of its services and homes to be above those set by the regulators. A dedicated team of Compliance Auditors reviews all services and homes on a programme of visits to assess the degree of compliance with Dimensions' Standards,
- the appropriate Board(s) or Committees who review reports from management, the internal auditors, the external auditors and the Group Audit Committee to provide reasonable assurance that the control procedures are in place and are being followed. This includes a general review of the major risks facing the Group,
- a Corporate Project Manager who monitors the planning, implementation and learning from all major projects and ensures actions are progressed,
- the Board which reviews the Internal Controls Assurance framework on the effectiveness of the internal control system, and
- formal processes and procedures which have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board also actively monitors and manages the organisation's achievement of Value for Money. Appropriate benchmarks are identified and targets for the achievement of Value for Money in relation to the organisation's objectives are set. Performance against these targets is monitored, as part of the organisation's balanced scorecard, throughout the year by the Board and the relevant committee.

#### **Risk Management**

The Group's Risk Panel (consisting of Executive Team members and the Head of Quality, Compliance & Risk) meet formally once a year to review the entire risk process and key strategic risks. Risk management is a standard agenda item on the monthly executive team meeting to evaluate newly identified risks and to review the existing highly ranked risks. The Board and functional Committees, as a central part of Dimensions' governance and oversight, review the control and assurance framework for each of their assigned areas and consider the overall resilience of the organisation.

The Group's system of internal control includes a business planning process that includes a high-level assessment of the Group's strengths and weaknesses, and opportunities and threats that it faces both internally and externally. The planning process delivers high-level business targets that form the basis for the financial and operational control environment. The plan also assesses the risks associated with the delivery of the Group's long-term business objectives and highlights the action to be taken in mitigating these.

The Board also conducts stress testing of the organisation. This involves testing what would happen to the organisation under a range of different scenarios and if multiple risks were to crystallise. Mitigating strategies in respect of the risk exposures are considered.

## **Dimensions (UK) Limited Governance Report**

The Board has a current strategy and policy on fraud covering its prevention and detection. The Group Audit Committee monitors instances of fraud and produces an annual report that includes details of any reportable fraudulent activity in the period. In the year there were 13 instances (2016: 6) of fraud with an aggregate unrecovered value of £24,000 (2016: £3,000). Where the fraud affected the people supported, they have been fully reimbursed for their loss. The necessary action has been taken to deal with the control points identified.

### **Legal and Administrative Details**

Dimensions (UK) Limited is incorporated under the Co-operative & Community Benefit Societies Act 2014 and Credit Unions Act 1965 and is a Private Registered Provider of Social Housing. Details of the Board, registration numbers, the professional advisors and the address of the registered office are set out on page 2. Dimensions (UK) Limited is governed by its Rules (reference: Model Rules 2005 published by the National Housing Federation).

### **Employees**

Dimensions (UK) Limited endeavours to employ sufficient staff with appropriate skills and to ensure that effective employment policies are in place and that good practice is followed. All employees receive training in the health and safety aspects of their duties.

The Group has a Recognition Agreement in place with the trade union UNISON.

### **Review of the Business**

A review of the business is provided in the Operating and Financial Review.

### **Directors**

The Directors who served during the year are listed in the statutory information on page 2.

### **Going Concern**

The Group is forecasting a surplus for next year from its main operational activities and has sufficient cash facilities available which provide adequate resources to the Group's day-to-day operations.

On this basis and after making appropriate enquiries, the Board confirms that it has a reasonable expectation that the Group has adequate resources to continue in its operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in preparing the consolidated financial statements.

### **External Auditors**

A resolution to re-appoint KPMG LLP will be proposed at the forthcoming annual general meeting.

## **Dimensions (UK) Limited Directors' Report**

### **Statement of the Board's Responsibilities in respect of the Board's Report and the Financial Statements**

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative & Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice 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 Group and the Association will continue in business.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative & Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website, [www.dimensions-uk.org](http://www.dimensions-uk.org). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Dimensions (UK) Limited on 2 August 2017 and signed on its behalf by:



**Jackie Fletcher  
Secretary**

Dimensions (UK) Ltd  
1430 Arlington Business Park  
Theale  
Reading  
RG7 4SA

## Independent Auditor's Report to the Members of Dimensions (UK) Limited

We have audited the financial statements of Dimensions (UK) Limited for the year ended 31 March 2017 set out on pages 31 to 64. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 association as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Board and auditor

As more fully explained in the Statement of Board's Responsibilities set out on page 29, the association's Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the group and the association as at 31 March 2017 and of the income and expenditure of the group and the association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the association has not kept proper books of account; or
- the association has not maintained a satisfactory system of control over transactions; or
- the financial statements are not in agreement with the association's books of account; or
- we have not received all the information and explanations we need for our audit.

**Jonathan Brown**  
for and on behalf of KPMG LLP, Statutory Auditor  
KPMG LLP

Arlington Business Park  
Theale  
Reading  
RG7 4SD

Date: 3 August 2017

**Dimensions (UK) Limited**  
**Statements of Comprehensive Income**  
**for the year ended 31 March 2017**

	Notes	GROUP		PARENT	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Turnover</b>	<b>2,3</b>	<b>133,900</b>	<b>122,724</b>	<b>123,859</b>	<b>113,489</b>
<b>Operating costs</b>					
Operating costs before exceptional items		(131,486)	(121,019)	(121,840)	(111,926)
Exceptional items:	10				
Charge arising on pension liability		-	(1,242)	-	(1,242)
Charge arising on sleep-in back-pay		(2,127)	-	(2,039)	-
<b>Total operating costs</b>		<b>(133,613)</b>	<b>(122,261)</b>	<b>(123,879)</b>	<b>(113,168)</b>
Operating surplus before exceptional items		2,414	1,705	2,019	1,563
<b>Operating surplus/(deficit) after exceptional items</b>	<b>3</b>	<b>287</b>	<b>463</b>	<b>(20)</b>	<b>321</b>
Gain on disposal of assets	7	60	474	56	474
Interest receivable and similar income	8	33	42	45	56
Amounts written off investments	10	-	(2)	-	(2)
Interest payable and similar charges	9	(305)	(241)	(305)	(241)
<b>Surplus/(deficit) for the year</b>	<b>10</b>	<b>75</b>	<b>736</b>	<b>(224)</b>	<b>608</b>
Actuarial loss in respect of pension schemes		(249)	(70)	(249)	(70)
<b>Total comprehensive (expenditure)/income for the year</b>		<b>(174)</b>	<b>666</b>	<b>(473)</b>	<b>538</b>

The consolidated results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 2 August 2017 and were signed on its behalf by:

		
Helen Baker Chair	Anne Barnard Board Member	Jackie Fletcher Secretary



**Dimensions (UK) Limited**  
**Consolidated Statement of Changes in Equity**  
**As at 31 March 2017**

	<b>Notes</b>	<b>Income and expenditure reserve £'000</b>	<b>Restricted reserves £'000</b>	<b>Total £'000</b>
Balance as at 1 April 2015		15,965	889	16,854
Total comprehensive income for the year		666	-	666
Transfer of restricted expenditure from unrestricted reserve		28	(28)	-
<b>Balance at 31 March 2016</b>		<b>16,659</b>	<b>861</b>	<b>17,520</b>
Total comprehensive expenditure for the year		(174)	-	(174)
Transfer of restricted expenditure to unrestricted reserve		(1)	1	-
<b>Balance at 31 March 2017</b>	<b>20,21</b>	<b>16,484</b>	<b>862</b>	<b>17,346</b>

The accompanying notes form part of these financial statements.

**Dimensions (UK) Limited**  
**Association Statement of Changes in Equity**  
**for the year ended 31 March 2017**

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance as at 1 April 2015		13,414	869	14,283
Total comprehensive income for the year		538	-	538
Increase support in subsidiary		(84)	-	(84)
Transfer of restricted expenditure from unrestricted reserve		10	(10)	-
<b>Balance at 31 March 2016</b>		<b>13,878</b>	<b>859</b>	<b>14,737</b>
Total comprehensive expenditure for the year		(473)	-	(473)
Decrease support in subsidiary		13	-	13
Transfer of restricted expenditure from unrestricted reserve		4	(4)	-
<b>Balance at 31 March 2017</b>	<b>20,21</b>	<b>13,422</b>	<b>855</b>	<b>14,277</b>

The accompanying notes form part of these financial statements.

**Dimensions (UK) Limited**  
**Group and Parent Statements of Financial Position**  
**for the year ended 31 March 2017**  
**Company Number: 31192R**

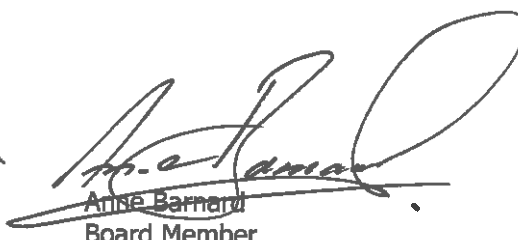
	Notes	GROUP		PARENT	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed Assets</b>					
Housing properties – cost less depreciation	13	23,805	24,169	23,805	24,169
Other fixed assets	14	4,987	3,941	1,908	1,263
		<u>28,792</u>	<u>28,110</u>	<u>25,713</u>	<u>25,432</u>
<b>Current assets</b>					
Debtors	15	17,360	14,193	18,334	13,909
Cash at bank and in hand		16,276	14,613	11,260	14,073
		<u>33,636</u>	<u>28,806</u>	<u>29,594</u>	<u>27,982</u>
<b>Creditors: amounts due within one year</b>	16	(18,567)	(12,589)	(14,559)	(11,893)
		<u>15,069</u>	<u>16,217</u>	<u>15,035</u>	<u>16,089</u>
<b>Net current assets</b>					
		<u>43,861</u>	<u>44,327</u>	<u>40,748</u>	<u>41,521</u>
<b>Total assets less current liabilities</b>					
		<u>43,861</u>	<u>44,327</u>	<u>40,748</u>	<u>41,521</u>
<b>Creditors: amounts falling due after more than one year</b>	18	18,733	19,005	18,733	19,005
Pension liability	25	6,458	6,540	6,458	6,540
Provision for liabilities	33	1,324	1,262	1,280	1,239
<b>Capital and reserves</b>					
Non – equity share capital	19	-	-	-	-
Restricted reserves	20	862	861	855	859
Income and expenditure account	21	16,484	16,659	13,422	13,878
		<u>17,346</u>	<u>17,520</u>	<u>14,277</u>	<u>14,737</u>
		<u>43,861</u>	<u>44,327</u>	<u>40,748</u>	<u>41,521</u>

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 2 August 2017 and were signed on its behalf by:



Helen Baker  
Chair



Anne Barnard  
Board Member



Jackie Fletcher  
Secretary

**Dimensions (UK) Limited**  
**Consolidated Statement of Cash Flows**  
**for the year ended 31 March 2017**

	<b>Notes</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>26</b>	<b>3,289</b>	<b>(2,927)</b>
<b>Investing activities</b>			
Interest received		33	42
Payments to acquire other tangible fixed assets	14	(1,726)	(263)
Payments to acquire and/or construct housing properties and/or their components	13	(326)	(825)
Receipts from sale of housing properties		649	533
Receipts from sale of other tangible fixed assets		75	40
Government grants repaid		(117)	-
<b>Net cash outflow from investing activities</b>		<b>(1,412)</b>	<b>(473)</b>
<b>Financing activities</b>			
Interest paid		(214)	(165)
<b>Net cash outflow from financing activities</b>		<b>(214)</b>	<b>(165)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>27</b>	<b>1,663</b>	<b>(3,565)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>14,613</b>	<b>18,178</b>
<b>Cash and cash equivalents at 31 March</b>		<b>16,276</b>	<b>14,613</b>

The accompanying notes form part of these financial statements.

## **Dimensions (UK) Limited**

### **Notes to the Financial Statements for the year ended 31 March 2017**

#### **1 Legal Status**

Dimensions (UK) Limited, the Parent, is registered under the Cooperative and Community Benefit Society Act 2014 and is a registered housing association.

The three subsidiaries of the Parent, Outreach 3 Way, Waymarks Limited and Dimensions Somerset SEV Limited, are all charitable companies limited by guarantee.

Dimensions is a public benefit entity. The principal purpose and activities of Dimensions (UK) Limited and its subsidiaries is the provision of person-centred support packages, with housing, for people with learning disabilities and autism.

#### **2 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which were considered to be material in relation to the financial statements of the Group.

##### **Basis of preparation**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 ("the Direction").

These financial statements have been prepared on a historical cost basis and are presented in Sterling (£).

The Parent company has adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- Categories of financial instruments
- Items of income, expenses, gains or losses relating to financial instruments, and
- Exposure to and management of financial risks.

The principal accounting policies of the Group are set out below.

##### **Group structure and basis of consolidation**

The Group financial statements incorporate the financial statements of the Parent, Dimensions (UK) Limited, and its subsidiaries:

- Outreach 3 Way,
- Waymarks Limited, and
- Dimensions Somerset SEV Limited

All subsidiaries are charitable companies limited by guarantee.

All the Group members' results are presented as operations under common control.

**2 Accounting policies (continued)**

**Turnover and revenue recognition**

Group turnover represents care charges and grants receivable from the Department of Social Services and local health authorities for services provided in the year by the Group for care and supported living, including Supporting People grants, charges to residents, and grants from local and national funders in respect of the year. Group turnover also includes rent and service charges and charges to managing agents.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

**Income from Supporting People and support services**

Supporting People contract income and income from charges for support services are recognised as they fall due under the contractual arrangements with Administering Authorities and included in turnover. Charges for support services, if the services are provided within the tenancy agreement, are shown as 'Charges for support services'. Where support is provided under a contract separate from the tenancy agreement the related income is shown under 'Supporting People'.

Income received in advance for the provision of specified services is deferred until the criteria for income recognition are met.

**Value Added Tax**

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

**Management costs**

Management costs include costs in running the Group, excluding those relating to the direct provision of services to clients, contractors' costs for performing maintenance work, depreciation and financing costs.

**Apportionment of direct employee, administration and operating expenditure**

Direct employee, administration and operating costs have been apportioned to the relevant section of the Income and Expenditure Account on the basis of costs of the staff directly engaged on operations dealt with in these financial statements.

**2 Accounting policies (continued)**

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**Significant management judgements**

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Impairment

Dimensions is required to conduct annual impairment reviews of its housing properties. Other assets are also reviewed for impairment if there is an indication that impairment may have occurred. In general, where no offers are in place and the calculated value in use is lower than book value, then an impairment adjustment is made.

The value-in-use calculation at 31 March 2017 used a discount rate of 5%, which was applied to cash flows extending over a 30-year period. This reflects the long useful lives of housing properties. Impairment provisions of £140k were released this year (2016: £18k release).

Capitalisation of property development costs

Distinguishing the point at which a service is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required. The total amount capitalised in the year was £315k (2016: £636k).

Dilapidations

Where Dimensions holds leases on properties, there may be a residual dilapidation charge at the end of the lease for returning the property to its original condition. These are provided for in full at the start of the lease, and are reviewed annually, based on a property-by-property review. Provisions totalling £299k (2016: £364k) are held by the Group.

Debtors' provisions

Specific debtor provisions are based on management judgement having reviewed all debts. Typically, all debts over one year old (not subsequently paid) will be provided for. In addition, general provisions are calculated on the following bases:

- Rent debtors – fifty per cent of arrears over eight weeks old and one hundred per cent for former tenants
- Other debtors – fifty per cent of debts (not otherwise provided for or subsequently paid) which are over six months old and one hundred per cent of debts which are over one years old

Total provisions at 31 March 2017 amounted to £511k (2016: £465k) for the Group.

Provision for subsidiary

A provision for the deficits in Waymarks Limited is made in the books of the Parent as it is unclear whether Waymarks will be able to generate sufficient surplus in future years to pay back the amounts owed to the Parent. The provision made at 31 March 2017 was £790k (2016: £803k).

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**2 Accounting policies (continued)**

**Significant management judgements (continued)**

Group overhead allocation

Group central overhead costs are allocated to operating units based on the budget central expenditure and in proportion to budget direct costs.

**Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2017 was £14,144k (2016: £14,066k).

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 25). The liability at 31 March 2017 was £6,458k (2016: £6,540k).

**Debtors**

Trade and other debtors are recognised at transaction price after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors and provisions**

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

**Employee Benefits**

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**Housing properties**

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated within property, plant and equipment at cost less accumulated depreciation and accumulated impairment.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.



**2 Accounting policies (continued)**

**Government grants**

Government grants include grants receivable from the Homes and Communities Agency (the HCA), local authorities, and other government organisations. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Grants due from government organisations or received in advance are included as current assets or liabilities.

**Social housing grant and recycled capital grant fund**

Social Housing Grant (SHG) is receivable from the Homes and Communities Agency (the HCA) and is utilised to reduce the capital costs of housing properties, including land costs.

These grants are recognised using the accrual model, as set out in FRS 102 and the Housing SORP 2014. The grants are recognised in income over the expected useful life of the housing property structure, even if the fair value of the grant exceeds the carrying value of the structure in the financial statements.

In the case of grants received specifically for components of a housing property the grant is recognised in income over the expected useful life of the component.

Government grants are classified as deferred income, at cost less accumulated amortisation.

Where SHG becomes repayable following the sale of a property it is credited to the recycled capital grant fund included in the balance sheet creditors.

**Other grants**

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

**Impairment**

Housing properties, including those with individual components, are subject to impairment reviews annually. Cash-generating units and any other assets are reviewed for impairment if there is an indication that impairment may have occurred. Where impairment indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write-down is charged to operating surplus.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**2 Accounting policies (continued)**

**Depreciation of housing properties**

Dimensions separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

Land	-	Nil
Building/Structure	-	1.25%
Pitched Roof Coverings	-	1.25%
Windows and doors	-	2.5%
Electrical Installations	-	2.5%
Bathrooms	-	5%
Boilers	-	6.67%
Kitchen and Utility Rooms	-	10%

Sales of housing properties are recognised in the income and expenditure account at the point the sale becomes unconditional and are separately disclosed after the operating surplus for the year.

**Other tangible fixed assets**

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on the cost of other tangible fixed assets has been provided evenly at the following annual rates and is charged over the expected economic useful lives to write them down to their estimated residual values as follows:

Freehold land	-	Nil
Housing properties available for lettings	-	1.67%
Other property	-	2%
Building improvements	-	20%
Household fixture and fittings	-	25%
Plant machinery, fixtures and motor vehicles	-	10% - 25%
Office, computer equipment and software	-	15% - 25%
Dilapidation commitments	-	Over the life of the lease

Housing buildings are depreciated from the date of practical completion. With regard to other fixed assets, depreciation is charged from the month of purchase.

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

**Operating Leases**

Dimensions leases properties, vehicles and office equipment. These are classified as operating leases as the title and the substantial risks and rewards of ownership remain with the lessor and are not transferred to the Group.

Costs in respect of operating leases are charged to income and expenditure on a straight line basis over the lease term.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**2 Accounting policies (continued)**

**Provisions for liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**Accounting for goodwill**

Where in substance the business combination is a donation of net assets or net liabilities, the difference arising between the fair value of the net assets or net liabilities acquired at the date of acquisition and the consideration paid represents either purchased or negative goodwill. Purchased goodwill is treated as an expense and is included in the income and expenditure account within operating costs. Negative goodwill is treated as a donation and is included in the income and expenditure account within turnover.

**Bank accounts of people we support**

In certain cases the Group and its employees support people we care for to manage their money in a Dimensions bank account specifically named and managed for that individual. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

**Restricted reserves**

Donations to an Amenity Fund are retained in a restricted reserve for use by a specified service only, as are the donations for a sensory garden.

The value of freehold land and buildings received from donors and specifically covenanted for the provision of autism related services is retained in a restricted reserve.

The surplus on the disposal of a care home restricted to the provision of accommodation to people with learning disabilities is also retained in a restricted reserve.

Funds received where there are prescribed uses of those funds in relation to individual people we support or defined groups of people we support are accounted for separately together with the subsequent use of the funds.

**Managing agents**

The Group owns properties in respect of supported housing schemes which are run by outside agencies. Where the agencies carry the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

**Related party transactions**

The Parent has taken advantage of the exemption in Financial Reporting Standard 8 from reporting related party transactions with its fellow Group undertakings.

**2 Accounting policies (continued)**

**Pension costs**

The Group participates in the Social Housing Defined Contribution Scheme administered by the Pension Trust.

Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

In the past, Dimensions participated in SHPS Defined Benefit Schemes. Contributions payable from the Association to the SHPS under the terms of its funding agreement for past deficits are recognised as a liability in the association's financial statements.

The Group also participates in The Royal County of Berkshire Pension Fund. This pension scheme provides benefits based on final pensionable earnings. The Group is able to identify its share of the underlying assets and liabilities of these schemes and accordingly the pension costs relating to the schemes are accounted for in accordance with the full requirements of FRS 102. Current service costs, net finance returns and actuarial gains and losses are all included in the statement of comprehensive income.

In addition, the Group operates defined contribution pension schemes. The costs under these schemes are charged to the income and expenditure account as incurred.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**3 Particulars of turnover, operating costs, and operating surplus**

<b>GROUP</b>	<b>Turnover £'000</b>	<b>2017 Operating costs £'000</b>	<b>Operating surplus £'000</b>	<b>Turnover £'000</b>	<b>2016 Operating costs £'000</b>	<b>Operating surplus £'000</b>
Social housing lettings (note 4(a))	3,038	(2,610)	428	3,124	(2,489)	635
Other social housing activities:						
Charges for support services (note 4(b))	130,862	(131,003)	(141)	119,600	(119,772)	(172)
<b>Sub-total</b>	<b>133,900</b>	<b>(133,613)</b>	<b>287</b>	<b>122,724</b>	<b>(122,261)</b>	<b>463</b>
Non-social housing activities			-		-	-
<b>Total</b>	<b>133,900</b>	<b>(133,613)</b>	<b>287</b>	<b>122,724</b>	<b>(122,261)</b>	<b>463</b>
<b>PARENT</b>						
Social housing lettings (note 4(a))	3,038	(2,700)	338	3,124	(2,544)	580
Other social housing activities:						
Charges for support services (note 4(b))	120,821	(121,179)	(358)	110,365	(110,624)	(259)
<b>Sub-total</b>	<b>123,859</b>	<b>(123,879)</b>	<b>(20)</b>	<b>113,489</b>	<b>(113,168)</b>	<b>321</b>
Non-social housing activities			-		-	-
<b>Total</b>	<b>123,859</b>	<b>(123,879)</b>	<b>(20)</b>	<b>113,489</b>	<b>(113,168)</b>	<b>321</b>

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**4(a) Particulars of income and expenditure from social housing lettings**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>				
Rents receivable*	544	542	544	542
Service income	399	362	399	362
Government grants taken to income	291	345	291	345
Charges to Managing Agents	1,804	1,875	1,804	1,875
<b>Total income from social housing lettings</b>	<b>3,038</b>	<b>3,124</b>	<b>3,038</b>	<b>3,124</b>
<b>Expenditure</b>				
Management	744	769	777	780
Services	225	191	226	191
Routine maintenance	337	188	393	232
Planned maintenance	201	191	201	191
Major repairs expenditure	407	326	407	326
Payments to agents	237	217	237	217
Depreciation of housing properties	599	625	599	625
Release of impairment provision	(140)	(18)	(140)	(18)
<b>Operating costs on social housing lettings</b>	<b>2,610</b>	<b>2,489</b>	<b>2,700</b>	<b>2,544</b>
<b>Operating surplus from lettings</b>	<b>428</b>	<b>635</b>	<b>338</b>	<b>580</b>

\*Rents receivable are stated after deducting £67,000 (2016: £33,000) for void losses.

All income and expenditure relates to supported housing and housing for people with learning disabilities and autism.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**4(b) Particulars of income and expenditure from other social housing activities**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants	113,924	104,059	107,768	98,694
Charges for support services	6,327	5,739	5,739	5,246
Supporting People	2,415	2,344	2,415	2,344
Other	8,196	7,458	4,899	4,081
<b>Total income from social care</b>	<b>130,862</b>	<b>119,600</b>	<b>120,821</b>	<b>110,365</b>
<b>Expenditure on social care</b>				
Management	122,196	110,762	113,313	102,575
Exceptional item: pension liability charge	-	1,242	-	1,242
Exceptional item: sleep-in back-pay	2,127	-	2,039	-
Services	5,123	5,864	4,537	5,202
Maintenance	940	1,019	726	773
Depreciation	617	885	564	832
<b>Total expenditure on social care</b>	<b>131,003</b>	<b>119,772</b>	<b>121,179</b>	<b>110,624</b>
<b>Operating deficit on social care</b>	<b>(141)</b>	<b>(172)</b>	<b>(358)</b>	<b>(259)</b>

**5 Directors emoluments**

The directors are defined as the members of the Board, the Chief Executive and the Senior Management Team at any point during the year. Aggregate emoluments payable to directors (including pension contributions and benefits in kind were):

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Non-executive directors	98	103	98	103
Executive staff members	967	814	883	772
	<u>1,065</u>	<u>917</u>	<u>981</u>	<u>875</u>
Compensation for loss of office	-	39	-	39

No retirement benefits are accrued under defined benefit schemes. The Chief Executive is an ordinary member of a private pension scheme provided by Aviva. Employer contributions of 8% are made into the scheme (2016/17: £12k), the same contribution percentage as for all members of the Group Executive Team, and no enhanced or special terms are applied.

The Chief Executive is the highest paid director. The emoluments payable to the Chief Executive (excluding pension contributions but including benefits in kind) were:

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Emoluments	<u>155</u>	<u>155</u>	<u>155</u>	<u>155</u>

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**6 Staff numbers and costs**

The average headcount and the average number of full time equivalent persons employed by the Group and Parent during the year (including senior executives), analysed by category, were as follows:

<b>Headcount</b>	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 No.</b>	<b>2016 No.</b>	<b>2017 No.</b>	<b>2016 No.</b>
Care staff	4,946	4,254	4,610	3,939
Administration	358	308	343	296
	<u>5,304</u>	<u>4,562</u>	<u>4,953</u>	<u>4,235</u>
<b>Full Time Equivalent</b>				
	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 No.</b>	<b>2016 No.</b>	<b>2017 No.</b>	<b>2016 No.</b>
Care staff	3,831	3,588	3,572	3,342
Administration	288	260	274	250
	<u>4,119</u>	<u>3,848</u>	<u>3,846</u>	<u>3,592</u>

Remuneration of staff (excluding pension contribution but including benefits in kind) is in the following bands:

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 No.</b>	<b>2016 No.</b>	<b>2017 No.</b>	<b>2016 No.</b>
£60,000 to £69,999	5	8	3	8
£70,000 to £79,999	5	1	4	1
£80,000 to £89,999	1	1	1	1
£90,000 to £99,999	2	2	2	2
£100,000 to £109,999	-	1	-	1
£110,000 to £119,999	2	1	2	1
£120,000 to £129,999	-	1	-	1
£150,000 to £159,999	1	2	1	2

<b>Staff costs</b>	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Wages and salaries	89,750	83,190	83,411	77,327
Social security costs	6,961	6,093	6,460	5,637
Pension costs	1,974	3,045	1,933	3,011
	<u>98,685</u>	<u>92,328</u>	<u>91,804</u>	<u>85,975</u>



**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**7 Surplus on disposal of fixed assets**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Proceeds from disposal of housing properties	249	933	249	933
Cost of sales	(191)	(457)	(191)	(457)
Incidental selling costs	(9)	(7)	(9)	(7)
Surplus on disposal of housing properties	49	469	49	469
Deficit on disposal of other fixed assets	11	5	7	5
Surplus for the year	60	474	56	474

**8 Interest receivable and similar income**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank interest	33	42	33	42
Intercompany Loan Interest	-	-	12	14
	33	42	45	56

**9 Interest payable and similar charges**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Finance cost on pension scheme	305	241	305	241
	305	241	305	241

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**10 Surplus for the year**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
The surplus for the year is stated after charging/(crediting):				
Depreciation and impairment:				
Housing properties	599	625	599	625
Impairment of housing properties	(140)	(18)	(140)	(18)
Other fixed assets	617	885	564	832
Write down in value of fixed asset investments	-	2	-	2
Auditor's remuneration:				
Audit	85	77	85	77
Non-audit services	-	8	-	10
Operating leases rental	3,750	3,274	3,333	2,926
Exceptional items:				
Charge arising on pension liability	-	(1,242)	-	(1,242)
Charge arising on sleep-in back-pay	(2,127)	-	(2,039)	-

The exceptional item during the year relates to back-pay to top-up for sleep-ins worked.

There has been a lack of clarity over whether National Living Wage (NLW) should apply to all time spent on sleep-in shifts for a number of years. There has now been further case law and a change in the way HMRC enforces the legislation. As a result, the Board decided that it was appropriate to revise the method for paying for sleep-in shifts. It was agreed with UNISON that these adjustments would be back-dated to July 2016. Negotiations are underway with all commissioners of services to establish revised pricing for sleep-ins that covers the additional costs.

**11 Taxation status**

The Group and Parent have charitable status and their sources of income are exempt from income and corporation tax provided that they are applied for charitable purposes.

**12 Investments in subsidiaries**

As required by statute, the financial statements consolidate the results of Outreach 3 Way, Waymarks Limited and Dimensions Somerset SEV Limited, which were subsidiaries of the organisation at the end of the year. The organisation wholly owns the three subsidiaries and has the right to appoint members to the boards and thereby exercises control over them. All subsidiaries of Dimensions (UK) Limited are non-regulated entities within the Group.

Dimensions (UK) Limited is the ultimate parent undertaking.

Each subsidiary bears its direct employee, administration and operating costs. Central overhead costs are apportioned to the parent and subsidiaries based on the total direct costs of providing social housing and other activities in each entity.

Costs apportioned to non-regulated entities were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Outreach 3 Way	498	486
Waymarks Limited	282	143

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

<b>13 Housing properties</b>	<b>Housing properties</b>	
<b>GROUP &amp; PARENT</b>	<b>available for letting</b>	
	<b>£'000</b>	
<b>Cost</b>		
At 1 April 2016		33,001
Additions		326
Disposals		(451)
		<hr/>
At 31 March 2017		32,876
<b>Depreciation and impairment</b>		<hr/>
At 1 April 2016		8,832
Depreciation charged during the year		599
Release of impairment provision		(140)
Disposals		(220)
		<hr/>
At 31 March 2017		9,071
<b>Net book value</b>		<hr/>
At 31 March 2017		23,805
<b>Net book value</b>		<hr/>
At 31 March 2016		24,169
		<hr/>
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Housing property costs comprise:</b>		
Freeholds	27,207	27,313
Long leaseholds	4,262	4,257
Short leaseholds	1,407	1,431
	<hr/>	<hr/>
	32,876	33,001
	<hr/>	<hr/>
<b>Expenditure on works to existing properties comprise the following:</b>	<b>£'000</b>	<b>£'000</b>
Components capitalised	315	636
Amounts charged to the income and expenditure account	407	326
	<hr/>	<hr/>
	722	962
	<hr/>	<hr/>

**Impairment**

Impairment of £140,000 was released (2016: £18,000) in the year to increase the carrying value of certain housing properties to their value-in-use, being the estimated recoverable amount.

The value-in-use calculation used a discount rate of 5.0%, applied to cash flows extending over a 30 year period, which reflects the long useful lives of housing properties.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**14 Tangible fixed assets**

**a) Other fixed assets  
GROUP**

	<b>Property restated £'000</b>	<b>Office &amp; computer equipment £'000</b>	<b>Household fixtures &amp; fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2016	3,866	4,373	936	9,175
Additions	439	1,166	121	1,726
Disposals	(16)	(10)	(815)	(841)
<b>At 31 March 2017</b>	<b>4,289</b>	<b>5,529</b>	<b>242</b>	<b>10,060</b>
<b>Depreciation</b>				
At 1 April 2016	811	3,552	871	5,234
Charged during the year	54	532	31	617
Disposals	(4)	-	(774)	(778)
<b>At 31 March 2017</b>	<b>861</b>	<b>4,084</b>	<b>128</b>	<b>5,073</b>
<b>Net book value</b>				
At 31 March 2017	3,428	1,445	114	4,987
<b>Net book value</b>				
At 31 March 2016	3,055	821	65	3,941

**Dimensions (UK) Limited**
**Notes to the Financial Statements for the year ended 31 March 2017**
**14 Tangible fixed assets (continued)**
**b) Other fixed assets  
PARENT**

	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
<b>Cost</b>				
At 1 April 2016	448	4,317	801	5,566
Additions	-	1,167	76	1,243
Disposals	(14)	(11)	(703)	(728)
<b>At 31 March 2017</b>	<b>434</b>	<b>5,473</b>	<b>174</b>	<b>6,081</b>
<b>Depreciation</b>				
As at 1 April 2016	62	3,496	745	4,303
Charge for year	7	532	25	564
Disposals	(5)	-	(689)	(694)
<b>At 31 March 2017</b>	<b>64</b>	<b>4,028</b>	<b>81</b>	<b>4,173</b>
<b>Net book value</b>				
At 31 March 2017	370	1,445	93	1,908
<b>Net book value</b>				
At 31 March 2016	386	821	56	1,263

**15 Debtors**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Due within one year</b>				
Rent and service charges receivable	595	561	551	529
Less: provision for bad and doubtful debts	(164)	(116)	(145)	(103)
	431	445	406	426
Trade debtors	10,172	8,376	9,446	7,444
Prepayments and accrued income	6,757	5,372	6,404	5,089
Amounts owed by subsidiaries	-	-	206	460
	17,360	14,193	16,462	13,419
<b>Due after more than one year</b>				
Amounts owed by subsidiaries	-	-	1,872	490
	17,360	14,193	18,334	13,909

**Dimensions (UK) Limited**
**Notes to the Financial Statements for the year ended 31 March 2017**

- 16 **Creditors:** amounts falling due within one year

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,005	1,533	1,950	1,481
Rent paid in advance	118	120	114	120
Social housing grant received	291	341	291	341
Other creditors	914	891	804	743
Taxation and social security costs	2,196	1,948	2,073	1,804
Accruals and deferred income	11,529	6,130	7,813	5,778
Recycled capital grant fund (note 17)	1,514	1,626	1,514	1,626
	<b>18,567</b>	<b>12,589</b>	<b>14,559</b>	<b>11,893</b>

- 17 **Recycled capital grant fund**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
At 1 April	1,945	1,621	1,945	1,621
Grants recycled	123	319	123	319
Interest accrued	6	5	6	5
Reduction on repayment of grant to Homes and Communities Agency	(117)	-	(117)	-
Balance at 31 March	<b>1,957</b>	<b>1,945</b>	<b>1,957</b>	<b>1,945</b>
Amount due for repayment to Homes and Communities Agency	<b>1,514</b>	<b>1,626</b>	<b>1,514</b>	<b>1,626</b>

**Dimensions (UK) Limited**
**Notes to the Financial Statements for the year ended 31 March 2017**

- 18 **Creditors:** amounts falling due after more than one year

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Social housing grant received	18,290	18,686	18,290	18,686
Recycled capital grant fund (note 17)	443	319	443	319
	<hr/>	<hr/>	<hr/>	<hr/>
	18,733	19,005	18,733	19,005
	<hr/>	<hr/>	<hr/>	<hr/>

Recycled capital grant funds are repayable in instalments due as follows:

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
In one year or less (note 16)	1,514	1,626	1,514	1,626
Between one and two years	320	-	320	-
Between two and five years	123	319	123	319
	<hr/>	<hr/>	<hr/>	<hr/>
	1,957	1,945	1,957	1,945
	<hr/>	<hr/>	<hr/>	<hr/>

- 19 **Non-equity share capital**

	<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Allotted, issued and fully paid</b>		
Ordinary shares of £1 each at 1 April	18	19
New shares	2	-
Cancellations	(1)	(1)
	<hr/>	<hr/>
Ordinary shares of £1 each at 31 March	19	18
	<hr/>	<hr/>

The shares have limited rights and carry no entitlement to a dividend. They are not repayable and do not carry rights to participate in a winding up. They carry an entitlement to vote at the Organisation's General Meetings.

**Dimensions (UK) Limited**
**Notes to the Financial Statements for the year ended 31 March 2017**
**20 Restricted reserves**

	<b>At 1 April 2016 £'000</b>	<b>Transfer (to)/from income and expenditure account £'000</b>	<b>At 31 March 2017 £'000</b>
Amenity Fund for respite care	8	(3)	5
Reserve related to Hollow Lane	410	-	410
Assets tied to autism related service	376	(6)	370
Reserves related to restricted funds	65	-	65
White Cliffs sensory garden	-	5	5
<b>PARENT</b>	<b>859</b>	<b>(4)</b>	<b>855</b>
Reserve related to O3W	2	5	7
<b>GROUP</b>	<b>861</b>	<b>1</b>	<b>862</b>

**21 Income and expenditure account**

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Balance brought forward	16,659	15,965	13,878	13,414
Surplus/(deficit) for the year	75	736	(224)	608
Reduction/(increase) in support to subsidiary	-	-	13	(84)
Transfers (to)/from restricted reserves (note 20)	(1)	28	4	10
Actuarial loss on pension schemes	(249)	(70)	(249)	(70)
<b>Balance carried forward</b>	<b>16,484</b>	<b>16,659</b>	<b>13,422</b>	<b>13,878</b>
<b>Income and expenditure account excluding pension liability</b>	<b>22,942</b>	<b>23,199</b>	<b>19,880</b>	<b>20,418</b>
<b>Pension liability</b>	<b>(6,458)</b>	<b>(6,540)</b>	<b>(6,458)</b>	<b>(6,540)</b>
<b>Income and expenditure account after including pensions liability</b>	<b>16,484</b>	<b>16,659</b>	<b>13,422</b>	<b>13,878</b>

**22 Financial commitments**

There were no capital commitments as at 31 March 2017 (2016: £nil).



**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**23 Operating lease commitments**

At 31 March 2017 the Group had total commitments under operating leases as follows:

	<b>Land &amp; buildings</b>		<b>Other</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts due in:				
Less than one year	1,572	1,220	506	503
Between two and five years	2,818	1,889	558	529
Over five years	5,502	4,557	-	-
	<b>9,892</b>	<b>7,666</b>	<b>1,064</b>	<b>1,032</b>

**24 Social Housing Units/Bed spaces**

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Under management at the end of the year:		
Agency managed	506	519
Directly managed	328	338
	<b>834</b>	<b>857</b>

**25 Pension liability**

The Group participates in a number of defined contribution and defined benefit pension schemes. Further details of the main participating schemes are given below.

The pension liability included on the balance sheet is analysed as follows:

	<b>GROUP</b>		<b>PARENT</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Social Housing Pension Scheme	3,868	4,289	3,868	4,289
Royal County of Berkshire Pension Fund	2,590	2,251	2,590	2,251
	<b>6,458</b>	<b>6,540</b>	<b>6,458</b>	<b>6,540</b>

**The People's Pension**

The People's Pension is the qualifying workplace pension scheme used by Dimensions for auto-enrolment. The employer's contribution is currently 1% of qualifying earnings and this will rise to 3% in 2017/18. The total charge to the Group for the year was £376,000 (2016: £326,000).

As at 31 March 2017, 3,159 employees (2016: 2,840) were enrolled in the scheme.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**25 Pension liability (continued)**

**Standard Life Money Purchase Scheme**

Group employees at the level of Locality Manager and above have access to a Standard Life money purchase scheme. Members of this scheme are required to make a minimum contribution of 3%. The employer's contribution is 7%. The total charge to the Group for the year was £461,000 (2016: £483,000).

As at 31 March 2017, 299 employees (2016: 308) were members of the Standard Life Money Purchase Pension Scheme.

**NHS Pension Scheme (NHSPS)**

The NHSPS is an unfunded, defined benefit scheme and contributions to the scheme are determined by the Secretary of State on the advice of the Government Actuary. The most recent actuarial valuation for the scheme was for the period 2004-2012. This showed that at 31 March 2012 the scheme had a notional deficit of £10.3 billion.

The scheme is a multi-employer scheme and the disclosures relating to Dimensions (UK) Limited's share of the pension surplus or deficit, are not required by FRS102. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the income and expenditure account charge for the period in respect of this scheme is derived from the employer contribution payable. During the year ended 31 March 2017, the employer's rate of contribution was paid at the rate recommended by the Actuary of 14.3%. The employees' contributions ranged between 5% and 9.3%. The total charge to the Group for the year was £977,000 (2016: £838,000). As at 31 March 2017, 429 employees (2016: 323) were members of the NHSPS.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the scheme actuary as at the balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Business Services Authority website. Copies can also be obtained from The Stationery Office.

Further information on the value of the scheme assets and liabilities, as required by the SORP, is not available.

**Social Housing Pension Scheme**

Dimensions participates in the Social Housing Pension Scheme (SHPS). The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate, to 31 March 2007. From April 2007 the employer operated a career average re-valued earnings (CARE) scheme with a 1/80<sup>th</sup> accrual rate. From 1 April 2014, Dimensions stopped participating in the CARE scheme and active members were offered membership of the SHPS Defined Contribution (DC) scheme at an employer contribution rate of 8.5% and a minimum employee contribution rate of 3%. The multi-employer defined benefit schemes are closed to new members.

During the accounting period Dimensions paid contributions at the rate of 8.5%. Member contributions varied between 3% and 20% depending on their age. At 31 March 2017, 39 employees (2016: 41) were members of SHPS.

## **Dimensions (UK) Limited**

### **Notes to the Financial Statements for the year ended 31 March 2017**

#### **25 Pension liability (continued)**

As at 30 September 2008, the administrators of the Social Housing Pension Scheme defined the deficits attributable at that point in time to each employer in value terms, rather than as a percentage of payroll. Accordingly, the deficit attributable at that point in time to Dimensions, after reflecting subsequent additional contributions paid / payable was calculable and recognised as a provision.

The last formal valuation of the Scheme was performed as at 30 September 2014 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £3,123 million (September 2011: £2,062 million). The valuation revealed a further shortfall of assets compared with the value of liabilities of £1,323 million (September 2011: £1,035 million), equivalent to a past service funding level of 70% (September 2011: 67%). As a consequence of the increased deficit, employers pay additional deficit contributions from 1 April 2016 on a share of liability basis. The total estimated net present value of the additional contributions for Dimensions is now £3,868,000.

The actuaries to the scheme have changed their assumptions relating to price inflation, valuation discount rates and pensionable earnings growth in completing their latest triennial valuation, which has resulted in an increase to deficit contributions. The additional costs that Dimensions has to fund the past deficits identified are £655,000 per annum.

The total charge to Dimensions for the year in respect of current service was £95,000 (2016: £98,000).

#### **Royal County of Berkshire Pension Fund**

Dimensions participates in a defined benefit statutory scheme, the Royal County of Berkshire Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings. However, no new members were admitted after 1 July 1996.

The scheme is funded to ensure payment of accrued benefits as they fall due.

Qualified actuaries, on the basis of valuations using the projected unit method, determine the contributions.

The most recent formal actuarial valuation of the scheme at 31 March 2017 showed that the actuarial value of the scheme's assets do not cover the accrued liabilities based on estimated fund pensionable salaries at retirement to the extent of £2,590,000 (2016: £2,251,000). Dimensions has provided for this by holding a provision calculated under the accounting rules set out in Financial Reporting Standard 102 (FRS102).

During the year ended 31 March 2017, the employer's rate of contribution was paid at the rate recommended by the Actuary of 20.2%. The employees' contributions' ranged between 5.5% and 6.5%. The contribution paid by Dimensions during the year was £14,000 (2016: £16,000). At 31 March 2017, 3 employees (2016: 4) were members of the Royal County of Berkshire Pension Fund.

As the scheme is closed to new members, under the projected unit method, the current service cost will increase as the members of the scheme approach retirement.

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**25 Pension liability (continued)**

The disclosures required by FRS102 are as follows:

The major assumptions used by the actuary were (in nominal terms):

	<b>2017</b> % pa	<b>2016</b> % pa	<b>2015</b> % pa
Increases in salaries	4.20	4.30	4.30
Increases in pensions and deferred pensions	2.7	2.5	2.5
Discount rate	2.8	3.8	3.4
Retail price inflation	3.6	3.4	3.3
Consumer price inflation	2.7	2.5	2.5

The assets in the scheme were:

	<b>Actual asset allocation 2017</b>	<b>Actual asset allocation 2016</b>
Equities	49%	45%
Gilts	-	1%
Other bonds	15%	14%
Property	14%	12%
Cash	10%	5%
Target Return	10%	19%
Commodities	2%	3%
Alternative assets	-	1%
	<u>100%</u>	<u>100%</u>

The discount rate is used as a single net interest cost to be the expected return on assets.

The amounts recognised in the financial statements under FRS102 are as follows:

**Balance sheet disclosure**

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Present value of the defined benefit obligation	4,449	3,960	4,206
Fair value of fund assets (bid value)	(1,859)	(1,709)	(2,106)
<b>Net liability in balance sheet</b>	<u>2,590</u>	<u>2,251</u>	<u>2,100</u>

**Analysis of the amount charged to operating surplus**

	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Current service cost	18	25
<b>Total operating charge</b>	<u>18</u>	<u>25</u>

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**25 Pension liability (continued)**

**Analysis of the amount charged to other finance income**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Net interest on the defined benefit liability	(85)	(71)
Administration expenses	(1)	(1)
<b>Total loss</b>	<b>(86)</b>	<b>(72)</b>

**Analysis of amount recognised in statement of comprehensive income**

	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Return on fund assets in excess of interest	191	(104)	58
Experience gain on defined benefit obligation	346	-	-
Other actuarial gains/(losses) on assets	22	(289)	-
Change in financial assumptions	(887)	323	(554)
Change in demographic assumptions	79	-	-
<b>Remeasurement of the defined liability</b>	<b>(249)</b>	<b>(70)</b>	<b>(496)</b>

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Opening defined benefit obligation	3,960	4,206
Service cost	18	25
Interest cost	148	141
Contributions by scheme participants	4	5
Net of change in assumptions and experience	462	(323)
Estimated benefits paid net of transfers in	(143)	(94)
<b>Closing defined benefit obligation</b>	<b>4,449</b>	<b>3,960</b>

**Dimensions (UK) Limited**
**Notes to the Financial Statements for the year ended 31 March 2017**
**25 Pension liability (continued)**
**Reconciliation of opening and closing balances of the fair value of fund assets**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Opening fair value of scheme assets	1,709	2,106
Expected return on scheme assets	-	-
Interest on assets	63	70
Return on assets less interest	191	(104)
Employer contributions	14	16
Contributions by scheme participants	4	5
Actuarial gains/(losses)	22	(289)
Administration expenses	(1)	(1)
Estimated benefits paid (net of transfers in)	(143)	(94)
<b>Fair value of scheme assets at end of year</b>	<b>1,859</b>	<b>1,709</b>

**Reconciliation of opening and closing surplus**

	<b>2017 £'000</b>	<b>2016 £'000</b>
At beginning of the year	(2,251)	(2,100)
Service cost	(18)	(25)
Interest cost	(85)	(71)
Employer contributions	14	16
Actuarial loss	(249)	(70)
Administration expense	(1)	(1)
<b>Deficit in scheme at end of year</b>	<b>(2,590)</b>	<b>(2,251)</b>

**Amounts for the current and previous periods**

	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Defined benefit obligation	(4,449)	(3,960)	(4,206)	(3,504)	(2,929)
Scheme assets	1,859	1,709	2,106	1,941	1,827
Deficit	(2,590)	(2,251)	(2,100)	(1,563)	(1,102)
Experience adjustments on scheme liabilities	(462)	-	-	(372)	-
Percentage of liabilities	(10.4%)	-	-	(10.6%)	-
Experience adjustments on scheme assets	22	(289)	58	62	86
Percentage of assets	1.2%	(16.9%)	2.8%	3.2%	4.7%
Cumulative actuarial loss	(1,504)	(1,255)	(1,185)	(692)	(279)

**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

**26 Reconciliation of operating surplus to net cash inflow from operating activities**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Group operating surplus after exceptional items	287	463
Depreciation of tangible fixed assets	1,216	1,510
Release of impairment provision	(140)	(18)
Difference between pension charge and cash contributions	(245)	1,251
(Increase)/decrease in debtors	(3,567)	(2,912)
Decrease in creditors	6,029	(2,876)
Amortisation of government grant in the year	(291)	(345)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,289</b>	<b>(2,927)</b>

The operating surplus for the year included the £2,127,000 exceptional item charged for sleep-in back-pay. The prior year operating surplus included the £1,242,000 exceptional item charged arising on the SHPS pension liability.

**27 Analysis of changes in net debt**

<b>Group</b>	<b>At 1 April 2016</b>	<b>Cash flow</b>	<b>At 31 March 2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	14,613	1,663	16,276
<b>Total</b>	<b>14,613</b>	<b>1,663</b>	<b>16,276</b>

**28 Reconciliation of net cash flow to movement in net funds**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Increase/(decrease) in cash in the year	1,663	(3,565)
Change in net funds	1,663	(3,565)
<b>Net funds at 1 April</b>	<b>14,613</b>	<b>18,178</b>
<b>Net funds at 31 March</b>	<b>16,276</b>	<b>14,613</b>

## **Dimensions (UK) Limited**

### **Notes to the Financial Statements for the year ended 31 March 2017**

#### **29 Incorporation**

Dimensions (UK) Limited is registered with the Homes and Communities Agency as a Registered Provider of Social Housing, is incorporated under the Co-operative & Community Benefit Societies and Credit Unions Acts 1965 to 2014 and is registered in England.

#### **30 Related parties**

Helen Baker, Chair of the Board, is chair of Charity Works and receives no payment for the role in Charity Works. During the year, Dimensions has paid Charity Works £5,000 (2016: £5,000) to source and employ graduate interns. There is no outstanding balance at the year-end between the two parties.

Steve Scown, Chief Executive, is the Chair of the Voluntary Organisation Disability Group (VODG). Steve receives no payment for his role at VODG. During the year, Dimensions has paid VODG £8,000 (2016: £6,000) in membership and campaign contribution fees. There is no outstanding balance at the year-end between the two parties.

Dimensions has supported the son of Susan Kirkman, a Board member, during the year. There has been no financial transaction between the two parties during the year as the support given was funded by Sheffield City Council.

Some of the Trustees of Dimensions provided their services as trustees to the Autism Schools Trust for no remuneration. In addition, other Dimensions employees have participated in activities to assist in the running of the Rise School. Dimensions has charged £17,000 for personnel services (2016: £17,000) and £70,000 for accounting service (2016: £70,000). Of the £70,000 charge for accounting services, £22,000 (2016: £53,000) has been treated as a donation in kind to Autism Schools Trust, to support their cash flow. At 31 March 2017 the Trust owed Dimensions £101,000 (2016: £34,000).

#### **31 Off-balance sheet arrangements**

Dimensions UK, as parent, has guaranteed the performance of its subsidiary, Dimensions Somerset SEV, to Somerset County Council, up to £6m.

#### **32 Events after the balance sheet date**

The Dimensions Group became party to a £6.5m pension bond facility with HSBC plc on 1 April 2017, whereby the liability to HSBC is guaranteed by the Organisation.

The Dimensions Group also became party to a £10m Revolving Credit Facility with HSBC plc on 7 April 2017, whereby the liabilities to HSBC of each of the entities within the Group are cross guaranteed by each other.



**Dimensions (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2017**

33 Provisions for liabilities	GROUP		PARENT	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Aggregate provisions for liabilities	1,324	1,262	1,280	1,239
	<u>1,324</u>	<u>1,262</u>	<u>1,280</u>	<u>1,239</u>
<b>Group</b>		<b>Dilapidations £'000</b>	<b>Income adjustments £'000</b>	<b>Total £'000</b>
At 1 April 2016		364	898	1,262
Release of provision		(21)	(68)	(89)
Additions		27	332	359
Utilised		(71)	(137)	(208)
		<u>299</u>	<u>1,025</u>	<u>1,324</u>

The cost for dilapidations of offices are provided for. The prior year provision has been reassessed and some provision released. New provisions have been added for new office leases taken out. Some provisions have been utilised where the offices leases have ended, the lease has not been renewed and the offices have been vacated. The various leases have various lease end dates, ending between the next financial year and 2026/2027. The individual reimbursements are expected to be made at the end of the relevant lease, upon exit from the property.

Income has been provided against where applicable. Some previous provisions relating to support services have been reversed during the year as it is now felt unlikely that a transfer in funds will materialise. New provisions have been added relating to disputed support hours. These outflows are expected to be incurred in the next financial year. Some disputes have been resolved during the year and the provision utilised.

Parent	Income adjustments £'000		Total £'000
	Dilapidations £'000		
At 1 April 2016	359	880	1,239
Release of provision	(21)	(50)	(71)
Additions	27	295	322
Utilised	(71)	(139)	(210)
	<u>294</u>	<u>986</u>	<u>1,280</u>