



Dimensions (UK) Limited
Report and Financial Statements
for the year ended
31 March 2018

Proving life can get better

Co-operative & Community Benefit Society Number: 31192R

Dimensions (UK) Limited

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Dimensions (UK) Limited

Statutory Information

The Board	<p>Helen Baker (Chair) Anne Barnard (Vice Chair) Calum Mercer Christine Cryne Kevin Lewis Gordon Lyle Nick Turner Sherry Malik Delyth Lloyd-Evans (appointed 13 April 2017) Rosalind Bergemann (became a co-opted member 1 May 2017 and stepped down from the Board 2 August 2017) Jonathan Mason (resigned 1 June 2017) Steve Scown (Group Chief Executive Officer and a co-opted member) Susan Kirkman (a co-opted member and stepped down from the Board 31 December 2017) Paul Davies (a co-opted member)</p>	
Executive Directors	<p>Mark Horlock Stella Cheetham</p> <p>Jackie Fletcher</p> <p>Bob Tindall Chris Woodhead</p> <p>Steph Thompson</p> <p>Luke Joy-Smith</p>	<p>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</p>
Principal and Registered Office	<p>1430 Arlington Business Park Theale Reading RG7 4SA</p>	
Bankers	<p>National Westminster Bank Plc 13, Market Place Reading RG1 3BB</p>	<p>HSBC Apex Plaza, Forbury Road Reading, RG1 1AX</p>
Solicitors	<p>Anthony Collins Solicitors LLP 134 Edmond Street Birmingham, B3 2ES</p>	<p>Trowers & Hamblins 3 Bunhill Row London, EC1Y EYZ</p>
Auditor and Accounting & Tax Advisers	<p>KPMG LLP Arlington Business Park, Reading, RG7 4SD</p>	
Internal Auditors	<p>BDO LLP 55 Baker Street, London, W1U 7EU</p>	
Co-operative & Community Benefit Society Number	31192R	
Regulator of Social Housing Number	4648	

Dimensions (UK) Limited

Chair's and Chief Executive Officer's Statement

The Dimensions 2020 strategy is built on our ambition to become the exemplar provider in our field of research-based and outcomes-focused support. 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.

This has been another very challenging year for organisations right across our sector, but we have still been able to make good progress against all five pillars of our strategy. We have continued to strengthen how we measure and understand our performance and impact, increasing the maturity of the tools we use to enable us to anticipate and respond to both risks and opportunities – from stress testing our finances to the deployment of a comprehensive balanced scorecard. One very significant new pressure this year has been the need to achieve contract price uplifts sufficient to allow us to cover the increased cost of sleep-in services. Constructive negotiations with commissioners have, however, been a key factor in maintaining our target operating surplus of 2%. Cash liquidity, including the revolving credit facility, was also above the 2 months of payroll target for the year. Dimensions achieved net growth of £8.8m with an additional very positive area of development having been the opportunity to work with colleagues in Somerset as our new subsidiary Discovery took on services there in April 2017. This growth also made possible a planned dilution of Group overhead to 4.9% of direct costs.

2017/18 was the first year of implementation of our new Housing Strategy. This included preparing to bring all of the Dimensions-owned supported living units back into our own management as part of our renewed commitment to deepening our understanding and optimising the use of all our built assets for the benefit of the people we support.

We retain a steady focus on the quality and safety of all the services we deliver and have, this year, succeeded in rolling out our new Activate model of support to all Dimensions UK services. This has included introducing digital technology into frontline support work for the first time and training over 5,000 staff. Our continuing work on safeguarding was further shaped by the safeguarding summit we held in July 2017 where we were particularly pleased to be joined by Andrea Sutcliffe, the Chief Inspector for Social Care at the Care Quality Commission. Dimensions ended 2017/18 with CQC / CIW scores of good or outstanding running at 100% at all of its services.

Experts by experience, both people we support and family members, have continued to play a growing role in reviewing, challenging and inspiring what we do and achieve as an organisation. A small Public Affairs team was established this year to lead our Louder Voice strategy and to help us to increase the external opportunities for people we support to get involved in and contribute to campaigns. Campaigns such as #ImWithSam and Love your Vote grew in reach and impact and a sharper focus on the health and wellbeing of people with learning disabilities and autism, both within and beyond Dimensions, has helped to drive up the profile of serious health issues such as over-medication, dysphagia and constipation.

We work in a very difficult recruitment market and reducing levels of use of agency staff has continued to be a challenge. The skills and commitment of our staff right across the Dimensions Group have, however, always been absolutely critical to everything we have been able to achieve. We recognise that many staff transfer to us through contracts and may not therefore have directly chosen to be a part of this organisation. We are also conscious that it can be difficult to adapt to new sets of expectations and systems. It is therefore all the more important that we demonstrate how much we value the engagement and contributions of everyone who works for us by prioritising investments in areas such as the development opportunities we make available and the working environment we provide. In 2017/18 we further strengthened our online programme, Learning Connect whilst also making significant investments in leadership and career development from the Aspire programme to a new partnership with Roffey Park. Dimensions was proud to again win positive recognition for its disability employment practices this year, including achieving The Disability Confident Leaders Award. We were also the only social care employer in the Top 100 Investors in Diversity list and a recent review demonstrated that there is almost no gender pay gap in Dimensions – a very distinctive achievement in any sector. More recently, we were also very proud to be awarded the "Employer of people with a disability" at the National Learning Disability and Autism Awards.

Dimensions (UK) Limited**Chair's and Chief Executive Officer's Statement (continued)**

If Dimensions is to continue to develop we must stay open to challenge, to new learning from mistakes as well as from what we do well, and to new ideas from every level the organisation and outside. We have again been privileged to work with a very wide range of partners this year, from other providers and commissioners to specialist advisers and researchers. Our thanks, however, go to everyone who has worked with us over the past twelve months and 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 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 around 4,000 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 1,261 people as set out below:

	Owned and directly managed by Dimensions	Owned by Dimensions but managed by other organisations	Managed by Dimensions for other organisations
Supported housing	290	280	255
Care homes	30	240	166
Total	320	520	421

In addition, Dimensions enables a further 351 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 pillars 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. During the year Dimensions has continued to secure new contracts and has drawn upon its significant personalisation experience to help these new services begin to adopt innovative person-centred practices. 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.

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 £3,085,000 (2017: £2,414,000). The total surplus recognised in the Income and Expenditure Account was £3,156,000 (2017: £75,000). Within this surplus, Dimensions (UK) Limited, the Group Parent, made a surplus of £1,517,000 (2017: loss of £224,000).

The exceptional item in 2016/17 related to back-pay to top-up for sleep-ins worked. Please see note 10 on page 54 for more information about this item.

The underlying performance is reflected in the result before exceptional item.

Dimensions (UK) Limited Operating and Financial Review

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

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Turnover	181,698	133,900	122,724	111,289	116,290
Operating surplus (before exceptional items)	3,085	2,414	1,705	2,357	3,864
Exceptional item: (Charge) arising on pension liability	-	-	(1,242)	-	-
Exceptional item: (Charge) arising on sleep-in back-pay	-	(2,127)	-	-	-
Operating surplus (after exceptional items)	3,085	287	463	2,357	3,864

Dimensions' investment in its business development capacity continues to provide a good return and the organisation was able to secure new income.

In the prior 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 1,200 staff.

Balance sheet highlights:

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Cash and investments	20,660	16,276	14,613	18,178	14,948
Capital and reserves	20,642	17,346	17,520	16,854	14,742

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 below:

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 proportionately reduce its overhead and operational costs whilst protecting the support that it provides to people. The organisation also manages liquidity risk via a revolving credit facility.

Dimensions (UK) Limited

Operating and Financial Review

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, Homes England/The Regulator of Social Housing and the 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 time spent during sleep-in services is funded, has the potential to significantly impact on Dimensions. The organisation has developed plans to mitigate these risks.

Future Development

Looking forward, Dimensions will complete the roll-out of 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 strive for continuous improvement and to contribute beyond its boundaries so as to help realise its aim that people with learning disabilities and autism receive the best possible support.

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.

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 care 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 pillars in 2017/18: 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. 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 Dimensions' 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 Dimensions' 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, ensures 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.

In 2017/18 there were two major initiatives affecting VFM. Firstly, the launch of Discovery, the new charitable subsidiary delivering Learning Disability services in Somerset, significantly increased the scale of our operations. The impact of Discovery is therefore evident in relation to a number of strategic aims and Discovery is referenced several times in this VFM report. Secondly, the introduction of our new Activate model of support significantly changes the way we deliver services and our ability to achieve outcomes for the people we support.

The Board is satisfied with the progress made in 2017/18 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 pillars (using the key Balanced Scorecard performance indicators), including the outcomes in respect of the VFM priorities set out in the 2017 statement, is set out below.

Dimensions (UK) Limited Operating and Financial Review

Personalisation – To deliver ‘just enough support’ that reflects the aspirations of every person supported

A priority in 2017/18 was 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 outcomes to be achieved by them, their staff and their families. Previous research on the effectiveness of the Activate model had been carried out on a more limited number of Dimensions’ services. It was conducted and verified by the Tizard Centre at the University of Kent, the UK’s leading academic group in all matters relating to learning disability, and provides evidence that the model improves quality of life for people and their support teams.

This roll out to services commenced in August 2017 and was due to be completed in May 2018, although as a result of increasing the scope of the roll-out to include services with fewer support hours the initial roll-out will not now complete until later in 2018. It has involved the introduction of digital technology into frontline support work for the first time, the training of over 5000 staff and utilising over 400 Activate sponsors specifically to work with local teams to provide an objective overview of the possibilities and outcomes for individual people we support. The adoption of the Activate methodology has so far led to the generation of over 1500 new outcomes with accompanying steps to ensure progress towards completion. The implementation of the model is gathering pace as more services have got to the point where outcomes have been identified and work has started. This is evidenced by the fact that the rate of generation of outcomes has increased by over a third in the most recent 8 week period and over 100 outcomes have been achieved, positively affecting different aspects of people’s lives from health to communication.

In addition, efficiencies have been enabled by Activate as managers can now track outcomes securely online. This leads to greater oversight in real-time and more effective direction of resources and support staff to ensure that quality outcomes are achieved for the people we support.

With the transfer of services in Somerset to Discovery, we are pleased to be working closely with Somerset CC to improve care and increase opportunities for people we support in Somerset. This will continue and develop over the six year contract.

Another business priority identified for 2017/18 was to improve the health and wellbeing of the people we support by influencing health inequalities within Dimensions and externally leveraging other bodies. A new Health & Wellbeing strategy was launched in 2017/18 to achieve this, with the priority areas being STOMP (Stop Over-Medication and Prescription), dysphagia and constipation. The NHS England initiative STOMP aims to reduce the amount of psychotropic medicines prescribed to people with learning disabilities and Dimensions’ employees featured on BBC Radio to discuss the issues. Dimensions is also working with General Practitioners (GPs) to review all psychotropic prescriptions for the people it supports. The target is for 100% adherence to the guidelines for people currently prescribed psychotropic medicines and those who may be prescribed in the future.

Dimensions has also worked to raise awareness about the dangers of constipation for people with learning disabilities and will continue to do so going forward.

As a result of the findings of our annual Health Survey we will be launching our new campaign #MyGPandMe, which will focus on reasonable adjustments and GP training. Dimensions wants to ensure that no matter what their disability, the person is at the centre of the prescription and review process, and is actively and meaningfully involved along with family members and advocates.

Dimensions (UK) Limited Operating and Financial Review

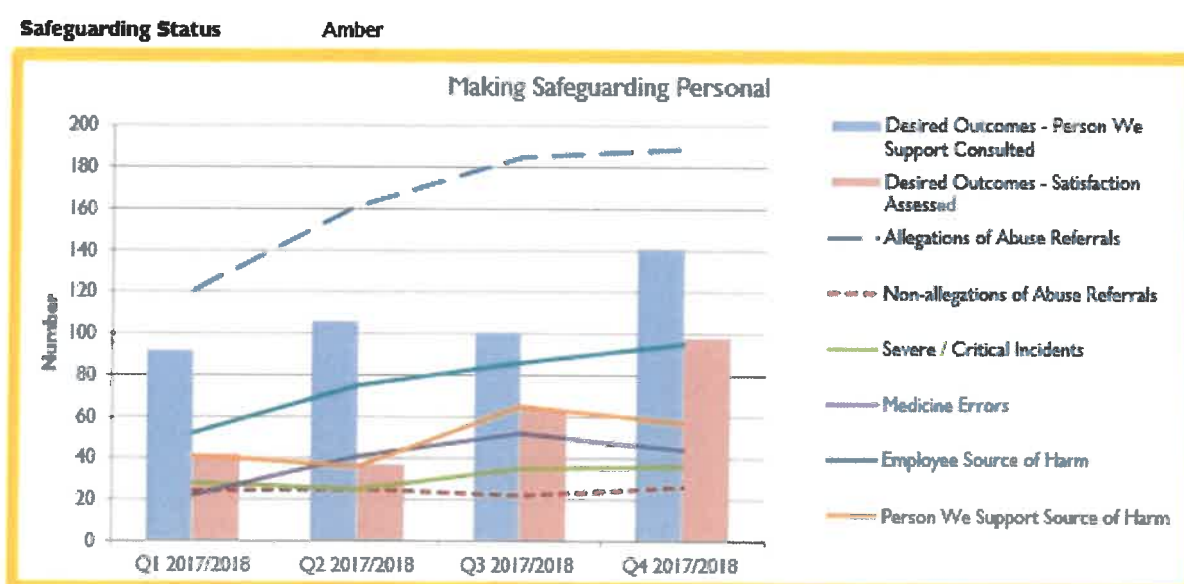
Performance against the key Quality & Safe Services performance indicators was as follows:



We are pleased that the group ended the 2017/18 year with a CQC/CSSIW rating (percentage of services with a "good" rating) of 100% (March 2017: 87%). We are also delighted that Dimensions now has three services rated as Outstanding by CQC.

All services are also 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 set a higher-base standard than pure regulatory compliance. In addition, in April 2016, the internal audit approach was changed to be carried out on an unannounced basis and prioritised in accordance with risk (including new services), and the role of experts by experience in the review process was increased. As a consequence, we were expecting to identify more areas for improvement in the early stages of the new regime than previously. This was particularly evident when the results of the Discovery audits were included in the group results from quarter 2. The average score during 2017/18 was not, therefore, representative of services as a whole. Nevertheless, we are disappointed that the internal compliance scores across the group have not increased more quickly. The March 2018 score was 49% (March 2017: 42%, target: 80%). However, the expectation remains that internal compliance scores will gradually increase over the coming year and the target is to finish 2018/19 at 80%.

Performance against the key Safeguarding performance indicators was as follows:



Dimensions (UK) Limited Operating and Financial Review

The overall number of incidents increased over the year with the inclusion of the new Somerset services in Discovery from Quarter 2 and other underlying growth, particularly in Quarter 4. The number of concerns raised is, however, increasing at a slower rate than the increase in the number of people we support. 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 are concerned about indicates that safeguarding is becoming more personal. Safeguarding incidents where the employee is the source of harm relate largely to minor medication errors.

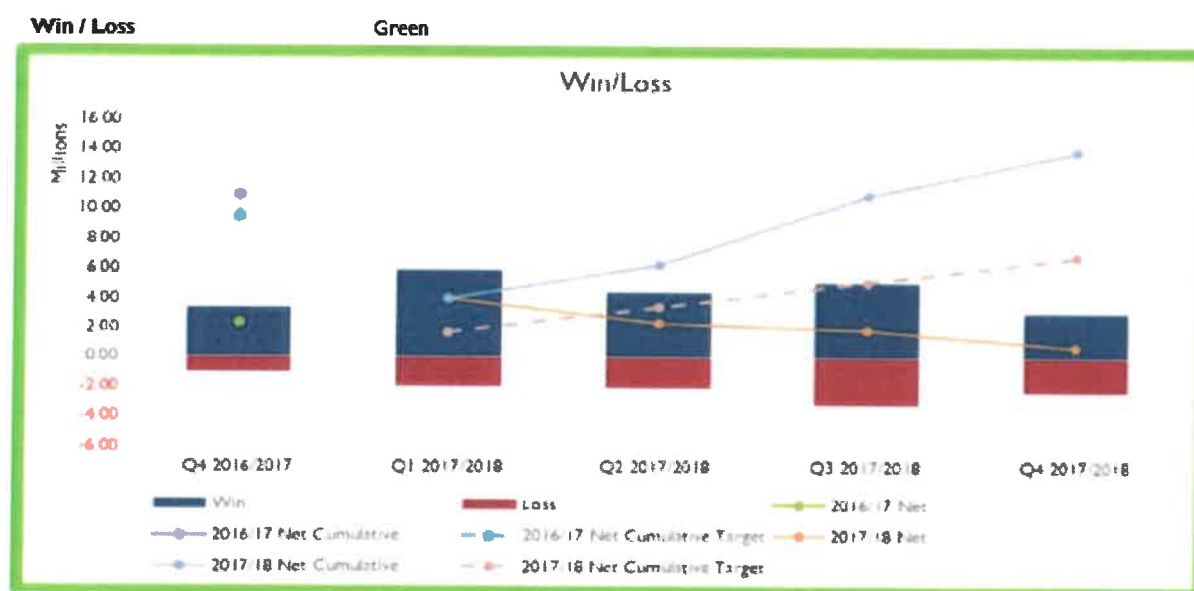
Dimensions held a Safeguarding Summit in July 2017 attended by around 50 people, including Andrea Sutcliffe CBE (the Chief Inspector of Adult Social Care at the Care Quality Commission). Outcomes from the day have focussed the attention on priority areas for 2018/19, including driving up further Making Safeguarding Personal and compatibility issues.

Development – To increase Dimensions’ ability to support more people better

In April 2017, Dimensions’ charitable subsidiary Discovery began delivering Learning Disability services to 900 people in Somerset. Growth attributable to Discovery in the year was £37.0m.

Overall (annualised) net growth in the organisation in 2017/18 of £8.8m (2016/17: £11.0m) was also ahead of target (£6.8m).

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

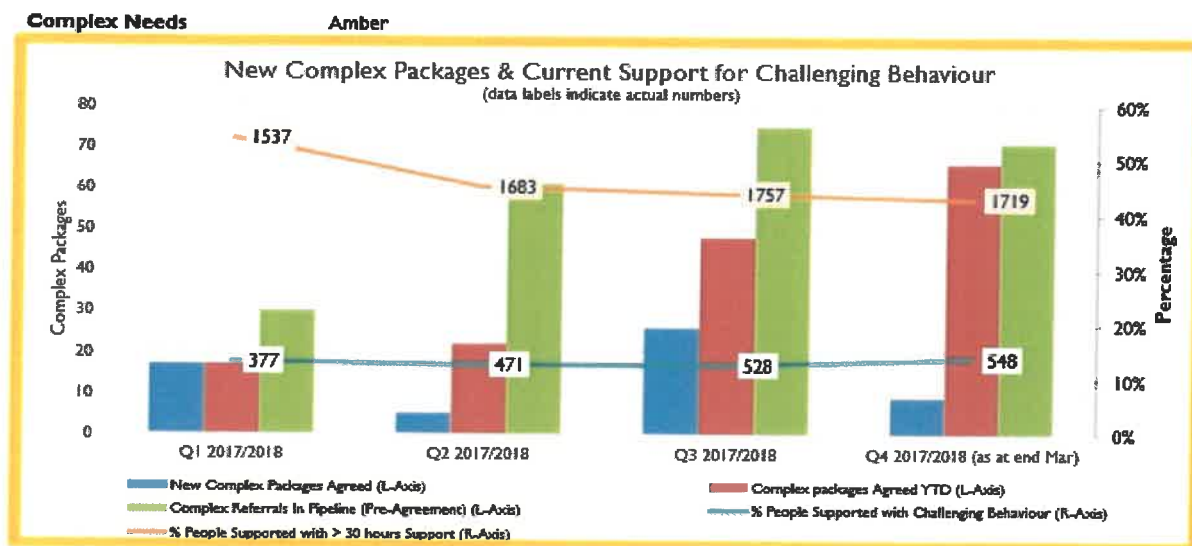


A key Development objective achieved for 2017/18 was to meet the KPI for success in regionally re-tendered contracts. We retained £11m of business through frameworks that were re-tendered in the year. We were unsuccessful in two re-tenders leading to a loss of £2m. This loss was offset, however, by better than expected price uplifts secured on other contracts.

A pricing strategy, including in respect of other complex services and outcomes based pricing, is in development, although due to competing demands on resources this work will now be completed in 2018/19.

Dimensions (UK) Limited Operating and Financial Review

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



Progress with the development of services where we support people with complex needs and challenging behaviour, including within Waymarks, has continued in 2017/18 in a similar volume to the previous year. This represents steady growth and is in line with expectations. The response rate to complex packages via call-off and referral is higher than the overall average, at 24% compared to 13% for all opportunities.

The proportion of work represented by complex needs and challenging behaviour packages reduced with the inclusion of the Somerset Discovery services but otherwise has seen a small but steady increase, indicating we are continuing to make positive steps to shift the balance of support in this direction.

Dimensions' subsidiary Waymarks has expertise in community-based support for people with complex histories. Like many providers in Waymarks' sector, the challenges of implementing the transforming care programme are significant and progress continues to be 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. At the end of 2017/18, Waymarks supports 29 people (target: 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.

Dimensions (UK) Limited Operating and Financial Review

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:

Influence by Individuals

Green

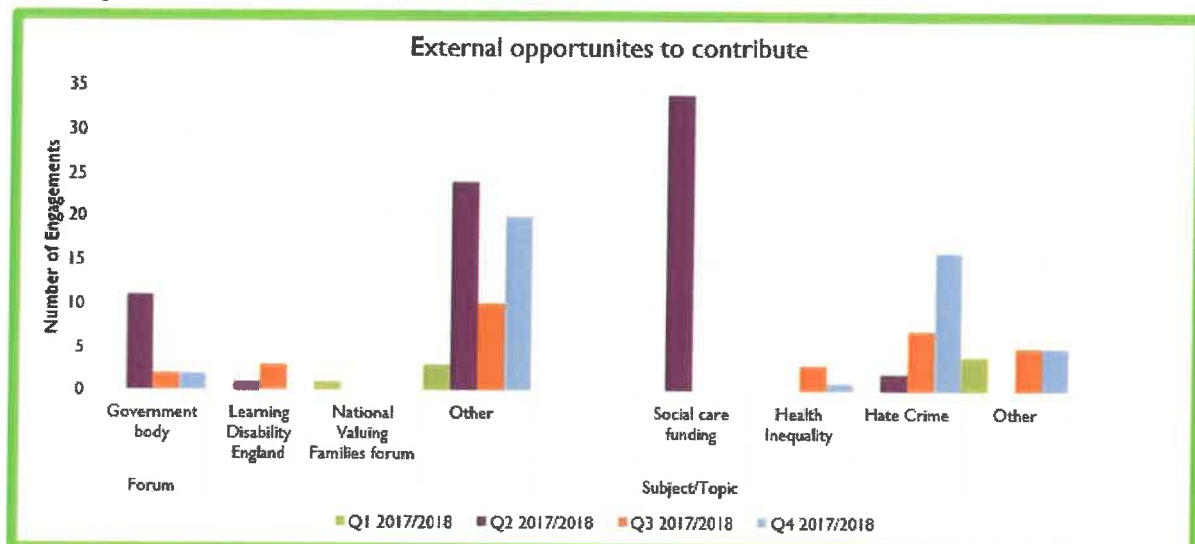


Over the year, total paid hours of employment for quality consultants and family experts increased to 364 per month (March 2017: 342). This was as a result of an increase in the average hours worked per individual, although the number of individuals working reduced slightly. However, overall there has been an increase in the number of people with disabilities working for Dimensions. In April 2018, nine new family experts started working for Dimensions.

Performance against the key Advocacy performance indicators was as follows:

Advocacy

Green



External opportunities for people to get involved, be heard and contribute continued to grow throughout the year. In total, there were 91 opportunities (2016/17: 12 opportunities) and we anticipate our journey towards Louder Voice will increase these opportunities further. A small Public Affairs team was created in Dimensions in the year to take the lead on our Louder Voice Strategy and we attended the party political conferences in October.

Dimensions (UK) Limited Operating and Financial Review

Our partnership work with The Institute for Person Centred Approaches in India (IPCAI) continued with exchange visits taking place in 2017/18. Four Dimensions' volunteers visited IPCAI in the year and we then hosted five people from IPCAI in return. The aims of 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 trips are 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 7th year. Tickets sold in 2017/18 were 58,383, a reduction on the 2016/17 total of 78,000, although this continues to be a very popular initiative.

Our hate crime campaign, **#ImWithSam**, has continued to work across the eight objectives that we believe will make a real difference to learning disability and autism hate crime. This has included speaking engagements, workshops, and ongoing relationship building with key influencers in the hate crime world. Dimensions has sat on the advisory group, the Mayor's Office for Policing and Crime Online Hate Crime Hub – an innovative London based project to tackle hate speech that will feed into a new national initiative. Through this, **#ImWithSam** has developed strong links with MOPAC's hate crime team, which we hope to sustain past the conclusion of the hub project. A key area of work has been engagement with police forces, raising awareness of the barriers victims face when it comes to reporting hate crime. To date, we have delivered workshops and training to members of Essex Police, Surrey Police and Greater Manchester Police – as well as members from other forces at several hate crime conferences. We continue to promote our schools materials as and when they are relevant and hope to develop a more strategic approach to this over 2018/19.

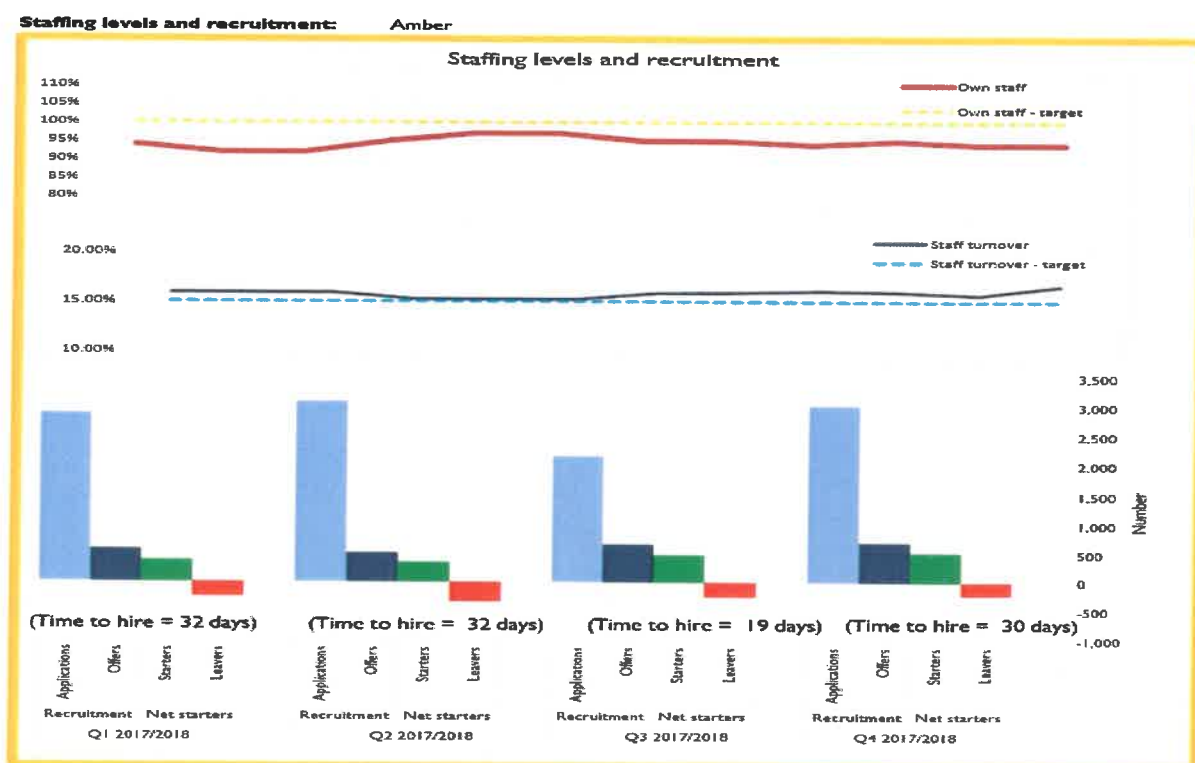
Dimensions continues to support its "Love Your Vote" campaign to encourage democratic participation amongst people with autism and learning disabilities, which has seen voting amongst the learning disability population increase significantly.

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.

Dimensions (UK) Limited Operating and Financial Review

Performance against the key Recruitment performance indicators was as follows:



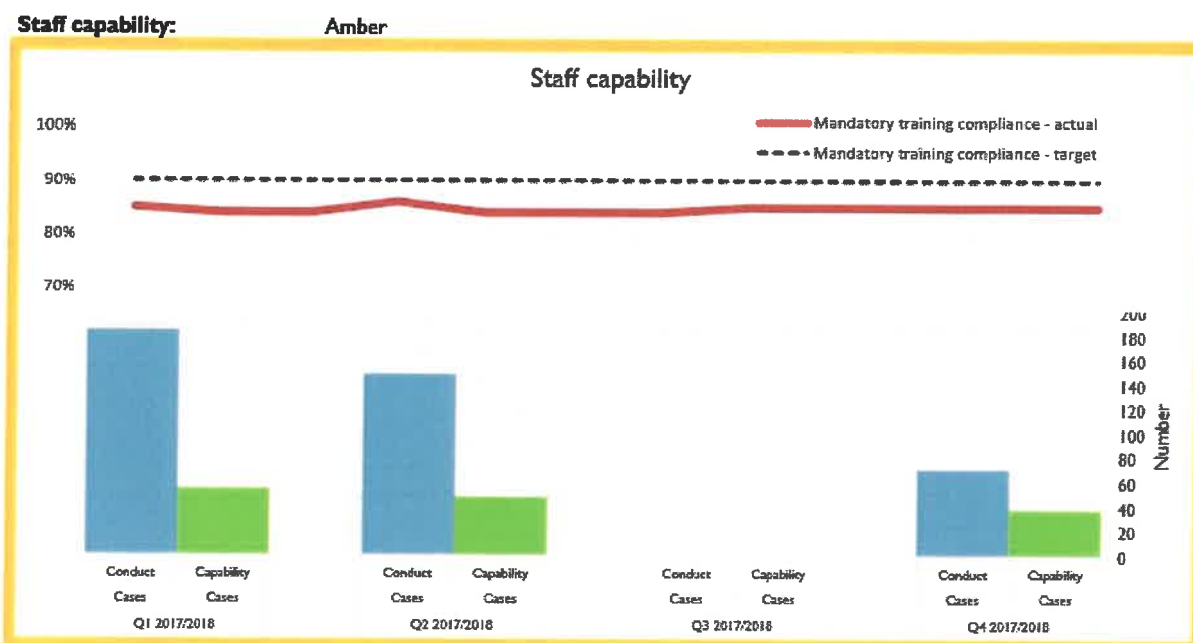
There has been some progress in candidate attraction following a digital marketing campaign and other initiatives to differentiate our employment offer (11,200 completed applications received during 2017/18 and 1,700 new starters). The number of applications does have an impact on time-to-hire figures and these have fluctuated over the year. In addition, delays with Disclosure and Barring Services (DBS) checks and gaining the required references remain a challenge to reducing time-to-hire and our new candidate management system has taken some time to bed in. Specific actions have been taken to facilitate a better understanding of the benefits the new system can provide. Employee turnover is currently at around 16%, which is above our current target of 15% but below the sector turnover rate of 27.8% as published by Skills for Care. Our work in the area of recruitment was externally validated by being shortlisted in the Skills for Care Accolades for recruitment category.

Dimensions' own staff contracted hours and bank relief staff availability totalled 94% of the hours we were contracted to deliver (before overtime and other backfill), which is below the target and has contributed to agency costs remaining high in some areas of the country. There have been two key actions taken to address this. The first was additional training and support for managers in the management of their rotas to maximise the use of own staff ahead of agency. The second was the decision to invest more in frontline pay in areas where agency levels remained high to attract more people into the permanent workforce. The full impact of these increases has yet to be seen but the impact on candidate attraction has been clearly demonstrated.

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 £7.83 per hour on 1st April 2018 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. The Dimensions Board have set a strategic priority for 2018/19 to improve staffing levels and thereby reduce reliance on external agency staff.

Dimensions (UK) Limited Operating and Financial Review

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



In 2017/18, we further embedded our approach to technology-enabled learning using our online learning platform Learning Connect. 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 85% in 2017/18 (82% in 2016/17) is welcome and we continue to work towards our 90% target (allowing for time to train new joiners and those ineligible to work). The picture in relation to the conduct to capability ratio is welcome and is the result of policy changes and focussed work by the HR Business Partners. Note that no data was available in Quarter 3.

We have invested in Leadership and Career development in 2017/18 in partnership with Roffey Park. This investment has ensured that key senior leaders have developed their skills and felt invested in. Turnover in our management population is very low with the figure for 2017/18 being 12%. Our Aspire Career development programme has continued to show a significant return on investment in relation to retention and internal promotions.

Dimensions' work around Equality and Diversity during 2017/18 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 achieved Investors in Diversity (IID) Level 2 and were the only social care organisation in the Top 100 Investors in Diversity Employers in 2017. We were also shortlisted for the Investors in diversity large employers award. We have also achieved the Disability Confident Leaders award which we use positively to recruit people who are disabled, although no data is currently available for people declaring a disability.

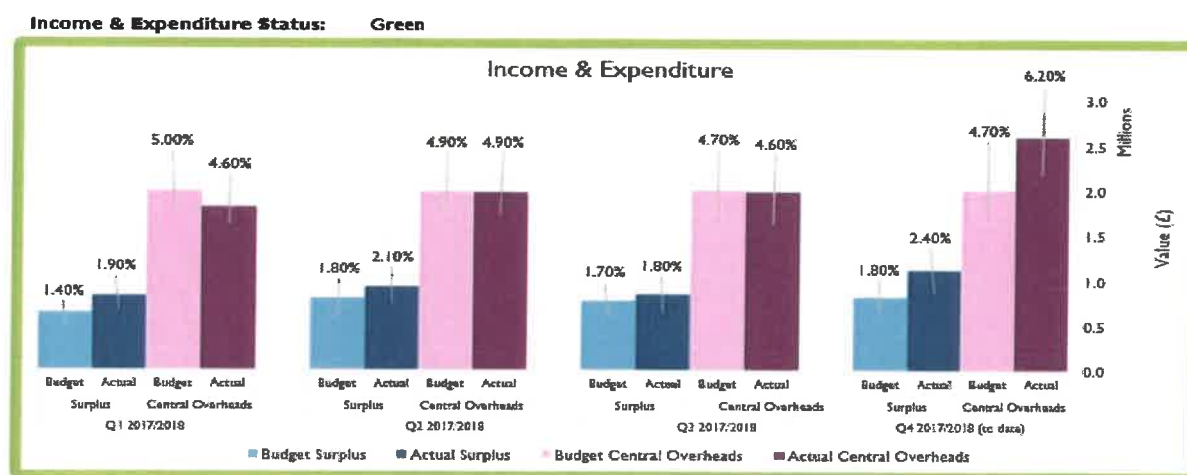
Dimensions (UK) Limited Operating and Financial Review

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,
- 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,
- Changes that affect the cost of services provided by Dimensions are identified in the plan with corresponding targets to achieve commensurate price uplifts with commissioners. Negotiations with commissioners to achieve appropriate price increases in respect of the additional costs are a key activity in relation to VFM,
- 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:

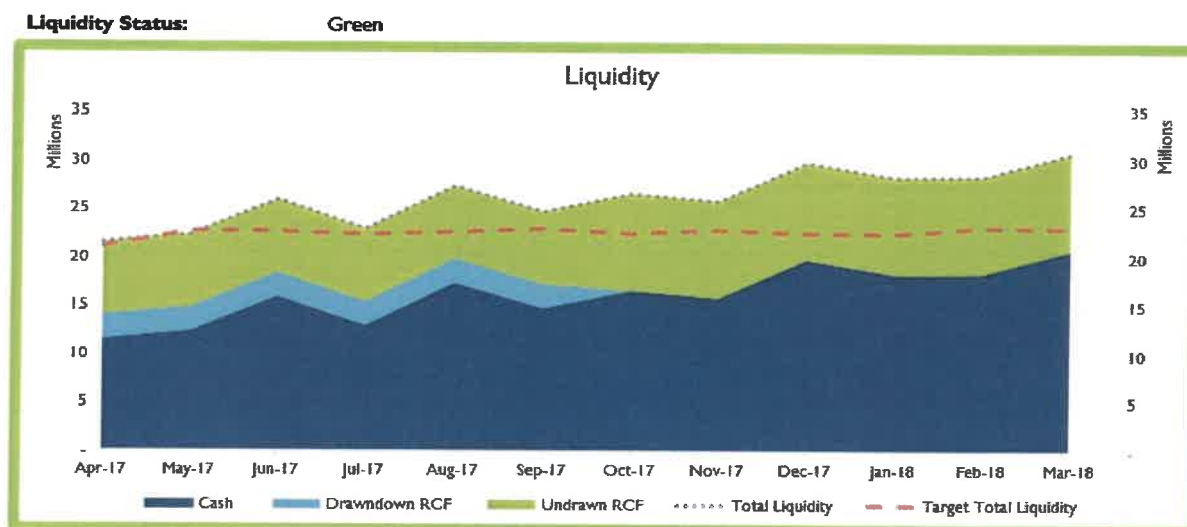


Dimensions (UK) Limited Operating and Financial Review

The Operating Surplus for the year before exceptional item met the organisation's 2.0% target (2016/17: 1.9% before exceptional item). Principal factors affecting the Operating Surplus were:

- Although staff productivity was overall in line with budget (80%), the target for our own staff levels available was not met (actual 94%: target 100%). This reflects a very difficult recruitment market, particularly where funding available is only sufficient to allow support worker pay at or near to national living wage and significant competition from other sectors. In addition, working days sickness per employee has increased to 9.6 days (target: 7.0 days, 2016/17: 7.8). Some of the increase is as a result of staff joining from other organisations with protected sick-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,
- Our Somerset subsidiary Discovery began delivering services in 2017/18 and this growth, together with proactive financial control, allowed a planned dilution of group overhead to 4.9% of direct costs (2016/17, 7.2%),
- Other net growth was higher than budgeted, particularly in the final quarter,
- The negotiations with commissioners to achieve satisfactory contract pricing in line with the increased costs for sleep-in services were successfully concluded.
- Overhead in Quarter 4 included the Activate roll-out costs.

Performance against the key Liquidity performance indicators was as follows:



Cash liquidity, including the revolving credit facility (RCF), was above the two months' of payroll target for the year. In 2017/18 we established the covenant reporting in relation to the new bank facility to ensure that the organisation retains access to appropriate funding.

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 2017/18 were:

- We continued to focus on contracts that were not meeting Dimensions' minimum viability threshold (able to cover their direct costs, overhead and make a small contribution to surplus) and to implement improvement plans to restore a satisfactory trading position. Where this has not been possible then the difficult decision to terminate these contracts has been taken. In 2017/18, contracts totalling £1.1m were terminated on this basis (2016/17: £1.0m),
- 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 2017/18 (as in 2016/17) this averaged 80%, in line with the targets set,
- An independent financial review of the Waymarks subsidiary was undertaken during the year to identify and address issues to improve its financial performance. The actions identified will be implemented in 2018/19,
- The new Somerset subsidiary Discovery commenced operating. The business processes of the group were adopted by Discovery so that the anticipated processing efficiencies could be realised.

In 2017/18, we completed the upgrade to our data security measures, in particular the encryption of mobile devices. In addition, much work was undertaken to implement the plan to achieve compliance with the new General Data Protection Regulations by May 2018.

A full review of policies began in December 2017 with an aim of reducing the number of policies across the group and to make them more accessible to everyone. This work will continue in 2018/19.

Dimensions' future plans for Value for Money

The Board's assessment of the 2017/18 VFM performance is that reasonable progress has been made despite another challenging year, with satisfactory achievement of most targets. The challenges included the negotiation of price uplifts to offset the increasing costs resulting from the increase in National Living Wage and the change in how sleep-ins were remunerated. In addition, the enormous effort required to create the Somerset subsidiary Discovery, to transition the employees and services in April 2017 and to integrate it into the Group and Group processes. 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.

The organisation's key VFM priorities for 2018/19 will be:

Personalisation

- To complete the Activate implementation, fully embed the model of support throughout the organisation and increase the number of outcomes generated,
- To continue to improve the health of the people we support, focusing on raising the percentage of eligible people who attend breast screening and cervical smears.

Development

- To complete the work around the pricing strategy, including for complex services and approaches to outcomes and risk-based pricing.

Engagement

- To deliver a health campaign with Books Beyond Words to train GP staff in how they can better serve people with learning disabilities,
- To deliver Louder Voice training and a development programme to create politics/media champions from the people we support, support workers and families.

Dimensions (UK) Limited Operating and Financial Review

People

- To undertake a detailed review of the remuneration strategy, including base pay, enhancement and, differentials between roles.

Organisation

- To complete the next round of negotiations with all commissioners to achieve satisfactory contract pricing in line with our increased costs for National Living Wage, sleep-in services, auto-enrolment and holiday pay,
- To complete the project to change our policies and processes ready for compliance with the new General Data Protection Regulations in May 2018,
- To establish and implement a Cash Plan to improve cash liquidity levels in 2019/20,
- To implement the transformation and modernisation required in the Discovery Somerset services.

Housing Assessment of Value for Money

In April 2018, the Value For Money Standard was revised and this statement, whilst it considers the 2017/18 year, has regard to the new iteration. The Standard requires that we take a robust approach to decision-making and undertake rigorous appraisal of potential options for improving performance. The Standard further requires that there is 'regular and appropriate' consideration by the Board of potential value for money gains – including full consideration of costs and benefits of alternative commercial, organisational and delivery structures.

The principal activity undertaken in this regard in 2017/18 has been preparing to bring all of the Dimensions-owned supported living units back into our own housing management as part of the Board-approved Housing Strategy. This activity has enabled the Group to budget for an extra £300k of income that it can spend directly upon the stock and services to tenants, as opposed to funding other providers through (sometimes) expensive managing agent arrangements.

There is a risk bound to this activity that we will need to spend more in the early period of self-management to redress poor examples of management by others but the Group used due diligence to ensure that, as far as is possible, the units were assessed, understood and brought to a good standard before handover. It is envisaged that this repatriation will enable the Group to take more informed decisions about the future of its stock in the years to come, including disposal and recycling.

There is a further requirement to consider value for money across the whole business, including the non-social housing activity. The Group has taken steps in 2017/18 to disaggregate all housing and non-housing income and expenditure to ensure that there is no housing investment in non-social housing activity beyond the Group's essential business service costs.

Dimensions has set itself appropriate targets for measuring performance in achieving value for money since the inception of the Standard and the Group's Balanced Scorecard gives the Executive monthly and the Board bi-monthly sight of key indicators on void loss and spend. The text that follows summarises the year's performance in this regard.

The year 2017/18 has been the first year of implementation for the Group's Housing Strategy, a document which 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.

Dimensions (UK) Limited Operating and Financial Review

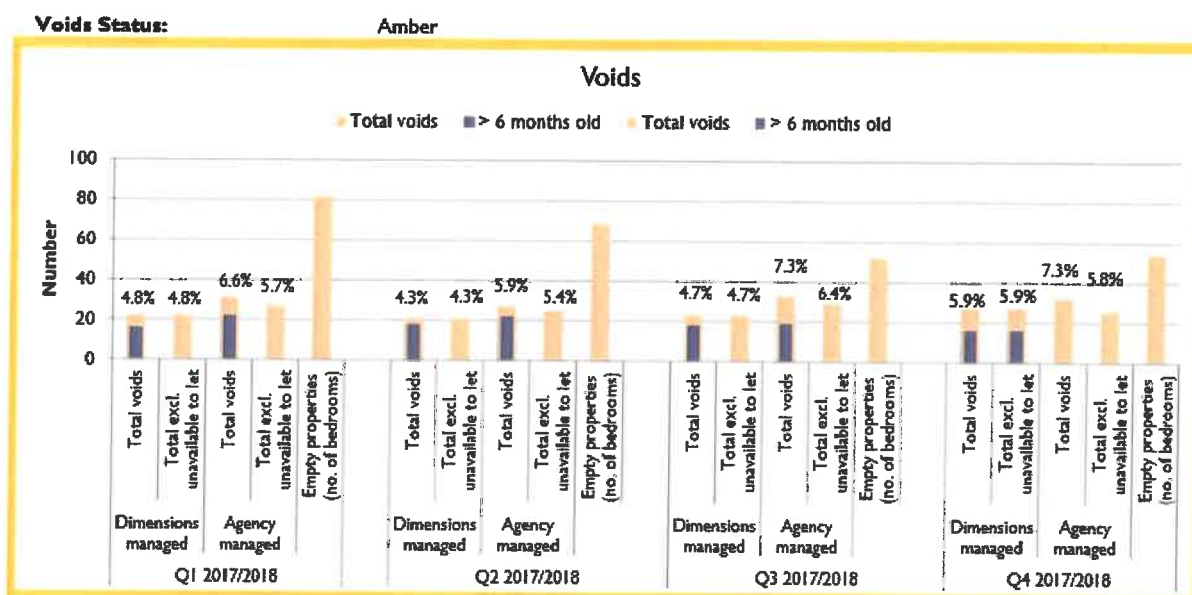
Return on assets and management of assets

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 2017/18 an adequate return could not be demonstrated for four properties and they were sold (2016/17: one property). The capital receipts – which include approximately £400k of RCGF – will be used to re-provide better quality homes for people with complex needs. One of the addresses (in Scunthorpe) was fully charged to NHS England and so the proceeds were returned.

The Regional Asset Management Panels have successfully reviewed the use of each asset and have made recommendations on assets for sale, refurbishment and development. The Group has a ranked list of sites that, through 2018/19, it will progress to develop, seeking design and permission to further its strategic aim to optimise assets in the support of complex needs.

Note that we continue to experience difficulties in obtaining agreement to recycle the resources in ex-NHS properties, when these become unused assets although we have been making efforts to build closer relationships with the right people in both NHSE and Homes England. Dimensions is also working through the Voluntary Organisations Disability Group to help influence NHSE.

Performance against the Voids performance indicators was as follows:



Overall, voids reduced in number with a pleasing reduction in empty bed spaces/tenancies from 81 to 57. The repatriation of our stock is expected to help further in reducing voids as the 2018/19 year progresses. The percentage void is slightly misleading as units have been sold or taken out of management. In 2018/19 there is to be a greater focus upon rental void loss as the disaggregation of income and expenditure is completed.

Dimensions (UK) Limited Operating and Financial Review

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



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 c. 12.3% (2016/17: 12.3%). Cost of housing management has remained constant, which is pleasing given the investment in the strategy. The social return is harder to measure and processes are continually being developed to enable the organisation to review and measure this more systematically. Dimensions is working on application of the HACT Model at the time of preparing this statement but it is not wholly applicable as much of its social value calculation is based upon prevention of homelessness and neighbourhood confidence – elements that our exclusive focus upon supported living do not relate to. We do expect to be able to show more social return in the arena of financial inclusion and social inclusion through our support model, Activate, and the investment being made in our ability to capture and measure outcomes.

The major repairs unit cost for 2017/18 averaged £1,200 (2016/17: £1,055, Global accounts traditional RPs benchmark: £750). This increase is unsurprising given the investment in the strategy and some of the proactive work being done on remodelling assets. There has also been significant investment in statutory compliance works, especially in the area of fire risk assessment. 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 higher than the global accounts average is reasonable.

Also, as noted in last year's report, the costs for 2017/18 are affected by additional investment 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 2018/19 as a result of this investment and the use of maintenance-free alternatives. However, the repatriation of our stock will also expose issues that will need to be addressed in this time period.

The routine / planned repairs unit cost for 2017/18 averaged £962 (Global accounts traditional RPs benchmark: £990 in 2016/17). 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.

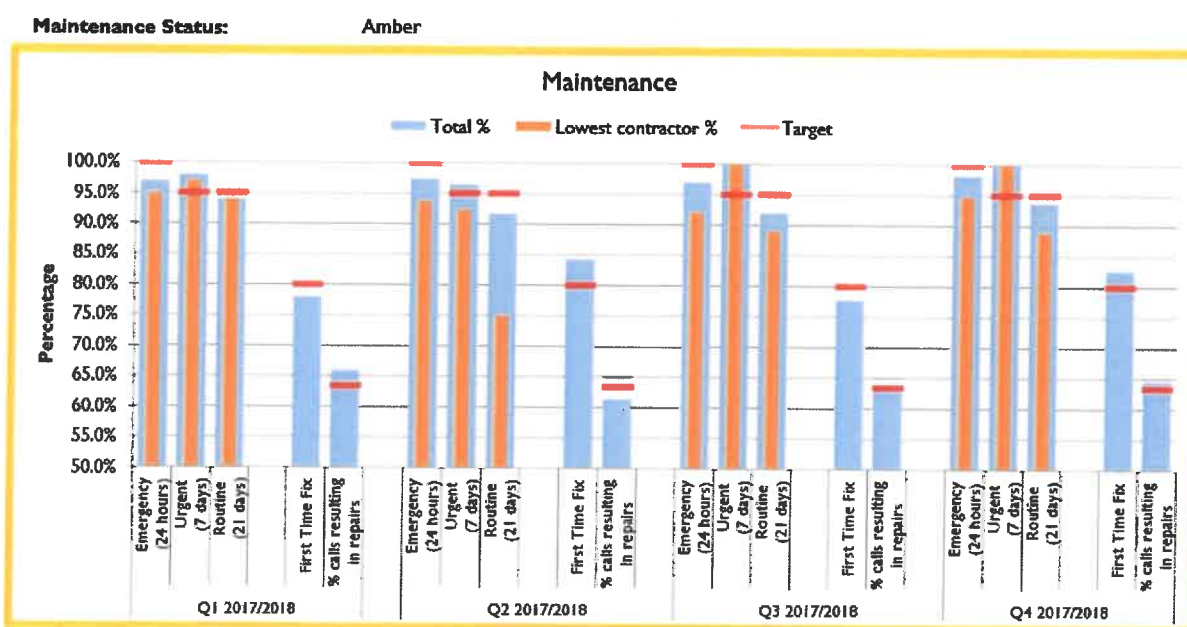
Dimensions (UK) Limited Operating and Financial Review

Housing management for 2017/18 (based on a full housing management service) was charged at £1,040 per unit (2016/17, £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 2018/19, 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:



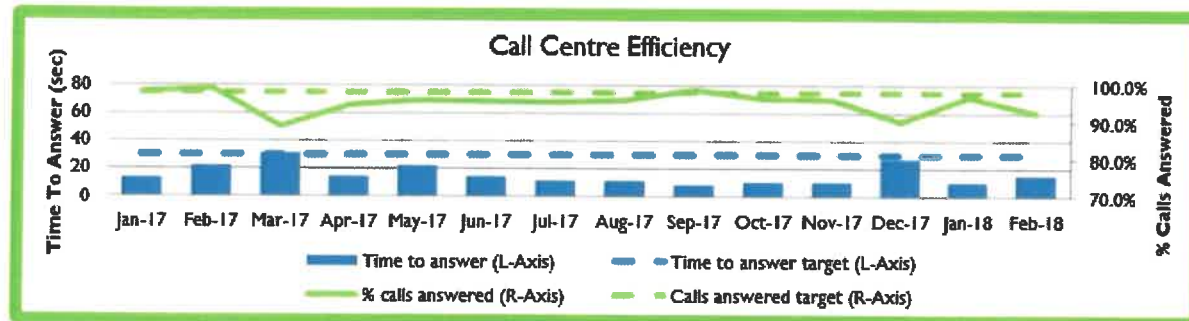
Overall, there was a reasonable performance by contractors with 97% of emergency calls responded to within 24 hours (target: 100%, 2016/7: 96%) and 98% of urgent calls within 7 days (target: 95%, 2016/17: 98%). However 93% of routine calls within 21 days were completed on target (target: 95%, 2016/17: 95%). 'First time fix' has pleasingly run at its 80% target on aggregate and the % calls resulting in a repair has also met its target of 65%. The intention has been to eliminate waste by ensuring that repairs are completed – as far as is possible – at the first visit and that customers do not need to chase repairs by recalling. We will look to stretch these targets from 2018/19.

Dimensions (UK) Limited Operating and Financial Review

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

Call Centre Efficiency Status:

Green



The call centre response has remained constant in terms of call response (95% over the year against a target of 98%), with an average time to answer of 13 seconds (target, less than 30 seconds and a 6 second improvement over 2016/17).

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 Regulator of Social Housing. Four tenants' meetings were held in the year 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. It is encouraging to report that four of our tenants are now trained 'Experts by Experience', essentially 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.

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:

- 54% of people were happy with the service they receive from the Housing Team and 35% were very happy,
- 49% were happy that their views are listened to, with 25% describing themselves as very happy,
- 51% were happy with the repairs service and 22% were very happy,
- Most importantly, on the question of value for money, 39% were happy with their home and services compared to their rent with a further 27% describing themselves as very happy.

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 (now complete), 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.

Dimensions (UK) Limited Operating and Financial Review

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 have performed this task nationwide on a generic basis, 2017/18 has seen us employ a specialist broker and move to appoint a second. 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. Dimensions, as part of its strategy implementation, will measure all brokerage in 2018/19.

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 achieve development partner status with Homes England and make better use of both recycled grant and new grant, supporting the optimisation of sites in Dimensions' ownership,
- To complete the implementation of our newly procured housing system to improve efficiency and support mobile working.

Value for Money Standard

The technical note on value for money metrics issued by the Regulator of Social Housing in April 2018 requires Dimensions to report on seven metrics. These are set out below:

	2017/18	2016/17	Peers	Comments
Metric 1 - Reinvestment %	2.36%	1.54%		
Metric 2 - New Supply Delivered %				
A - Social Housing	0%	0%		Taking on more managed only contracts for social housing, rather than owned.
B - Non-Social Housing	9%	15%		All subsidiary bedspaces and private landlord bedspaces
Metric 3 - Gearing %	0%	0%	50%	No debt finance drawn down at 31.03.18.
Metric 4 - EBITDA MRI Interest Cover %	974%	170%	170%	No debt, therefore low interest
Metric 5 - Headline Social Housing Cost Per Unit	12,641	12,968	£8,698	Includes social care contracts delivered in homes.
Metric 6 - Operating Margin %				
A - Social Housing Lettings Only	19%	14%	34%	
B - Overall	2%	2%	50%	Reflects lower margins on social care contracts
Metric 7 - ROCE %	9%	6%	4%	

These metrics are required by the standard. However, the business model of Dimensions is different to most other registered providers and therefore our metrics may not be comparable. In particular, differences exist due to the scale of the social care contracts in Dimensions relative to rental income.

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 including the maintenance of a strategic risk map, which identifies the controls and assurances in place, and highlights any gaps requiring further action.

Statement of Compliance

The Organisation undertakes an assessment of its compliance with the Regulator of Social Housing'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.

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

Shareholding is closed and the admission of new shareholders is 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.

Dimensions (UK) Limited Governance Report

Board members' interest in shares

Each elected member of the Board who held office at 31 March 2018 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.

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 eight 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	Remuneration Committee
Number of meetings >	8	3	4	5	4	1
Helen Baker (Chair)	8/8	-	4/4	5/5	-	1/1
Anne Barnard (Vice Chair)	7/8	3/3	-	5/5	-	-
Calum Mercer	5/8	1/1	-	5/5	-	1/1
Christine Cryne	8/8	-	-	-	4/4	-
Delyth Lloyd Evans*	8/8	-	-	-	-	-
Jonathan Mason***	0/0	-	-	-	-	-
Kevin Lewis	8/8	-	4/4	-	-	-
Gordon Lyle	8/8	2/3	4/4	-	-	1/1
Rosalind Bergemann**	1/2	0/0	-	-	-	-
Nick Turner	7/8	2/3	-	-	-	-
Sherry Malik	7/8	-	-	-	4/4	-
Steve Scown (co-optee)	8/8	-	-	-	-	-
Susan Kirkman (co-optee)+~	4/6	-	-	-	2/3	-
Paul Davies (co-optee)#	6/8	-	-	-	4/4	-

*Appointed 13 April 2017

**Became a co-opted member 1 May 2017 and stepped down from the Board 2 August 2017

***Resigned 1 June 2017

~Stepped down from the Board 31 December 2017

+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 was chaired by Anne Barnard on an interim basis until Nick Turner became Chair from October 2017. 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.

Remuneration Committee – The Committee consists of the Chairs of each the Dimensions (UK) Board, the Human Resources Committee and the Finance and Resources Committee. Two members constitute a quorum. The Committee was chaired by Gordon Lyle during the year. The purpose of the Committee is to recommend to the Dimensions (UK) Board the remuneration arrangements for the Group Executive Team.

The Boards of Waymarks Limited, Outreach 3 Way Limited and Dimensions Somerset SEV Limited (trading as "Discovery") 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 2017/18 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 22 instances (2017: 13) of fraud with an aggregate unrecovered value of £5,000 (2017: £24,000). 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. 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 25 July 2018 and signed on its behalf by:



**Jackie Fletcher
Secretary**

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

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

Opinion

We have audited the financial statements of Dimensions (UK) Ltd ("the association") for the year ended 31 March 2018 which comprise the Statements of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Association Statement of Changes in Equity, the Group and Parent Statements of Financial Position, the Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the group and the association as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group and the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The association's Board is responsible for the other information, which comprises the Chair's and Chief Executive Officer's Statement, the Operating and Financial Review, the Governance Report and the Director's Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required 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.

We have nothing to report in these respects.

KPMG LLP
Independent auditor's report to the members of Dimensions (UK) Limited
(continued)

Board's responsibilities

As more fully explained in their statement set out on page 33, the association's Board is responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



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

Chartered Accountants

KPMG LLP

Arlington Business Park

Theale

Reading

RG7 4SD

Date:

30 July 2018

Dimensions (UK) Limited
Statements of Comprehensive Income
for the year ended 31 March 2018

	Notes	GROUP		PARENT	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Turnover	2,3	181,698	133,900	134,943	123,859
Operating costs					
Operating costs before exceptional items		(178,613)	(131,486)	(133,514)	(121,840)
Exceptional item:					
Charge arising on sleep-in back-pay	10	-	(2,127)	-	(2,039)
Total operating costs		(178,613)	(133,613)	(133,514)	(123,879)
Operating surplus before exceptional items		3,085	2,414	1,429	2,019
Operating surplus/(deficit) after exceptional items	3	3,085	287	1,429	(20)
Gain on disposal of fixed assets	7	448	60	454	56
Interest receivable and similar income	8	14	33	25	45
Interest payable and similar charges	9	(391)	(305)	(391)	(305)
Surplus/(deficit) for the year	10	3,156	75	1,517	(224)
Actuarial gain/(loss) in respect of pension schemes		140	(249)	140	(249)
Total comprehensive income/(expenditure) for the year		3,296	(174)	1,657	(473)

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 25 July 2018 and were signed on its behalf by:



Helen Baker
Chair



Anne Barnard
Vice Chair



Jackie Fletcher
Secretary

Dimensions (UK) Limited
Consolidated Statement of Changes in Equity
for the year ended 31 March 2018

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance as at 1 April 2016		16,659	861	17,520
Total comprehensive expenditure for the year		(174)	-	(174)
Transfer of restricted expenditure from unrestricted reserve		(1)	1	-
Balance at 31 March 2017		16,484	862	17,346
Total comprehensive income for the year		3,296	-	3,296
Transfer of restricted expenditure to unrestricted reserve		69	(69)	-
Balance at 31 March 2018	20,21	19,849	793	20,642

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited
Association Statement of Changes in Equity
As at 31 March 2018

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance as at 1 April 2016		13,878	859	14,737
Total comprehensive expenditure for the year		(473)	-	(473)
Decrease support in subsidiary		13	-	13
Transfer of restricted expenditure to unrestricted reserve		4	(4)	-
Balance at 31 March 2017		13,422	855	14,277
Total comprehensive income for the year		1,657	-	1,657
Decrease support in subsidiary		62	-	62
Transfer of restricted expenditure to unrestricted reserve		71	(71)	-
Balance at 31 March 2018	20,21	15,212	784	15,996


The accompanying notes form part of these financial statements.


Dimensions (UK) Limited
Group and Parent Statements of Financial Position
as at 31 March 2018
Company Number: 31192R


	Notes	GROUP		PARENT	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed Assets					
Housing properties – cost less depreciation	13	23,659	23,805	23,659	23,805
Other fixed assets	14	5,664	4,987	2,134	1,908
		<u>29,323</u>	<u>28,792</u>	<u>25,793</u>	<u>25,713</u>
Current assets					
Debtors	15	19,869	17,360	19,679	18,334
Cash at bank and in hand		20,660	16,276	11,557	11,260
		<u>40,529</u>	<u>33,636</u>	<u>31,236</u>	<u>29,594</u>
Creditors: amounts due within one year	16	(23,190)	(18,567)	(15,034)	(14,559)
		<u>17,339</u>	<u>15,069</u>	<u>16,202</u>	<u>15,035</u>
Net current assets					
		<u>17,339</u>	<u>15,069</u>	<u>16,202</u>	<u>15,035</u>
Total assets less current liabilities		<u>46,662</u>	<u>43,861</u>	<u>41,995</u>	<u>40,748</u>
Creditors: amounts falling due after more than one year	18	(18,727)	(18,733)	(18,727)	(18,733)
Pension liability	25	(5,943)	(6,458)	(5,943)	(6,458)
Provision for liabilities	33	(1,350)	(1,324)	(1,329)	(1,280)
		<u>20,642</u>	<u>17,346</u>	<u>15,996</u>	<u>14,277</u>
Total net assets		<u>20,642</u>	<u>17,346</u>	<u>15,996</u>	<u>14,277</u>
Capital and reserves					
Non – equity share capital	19	-	-	-	-
Restricted reserves	20	793	862	784	855
Income and expenditure account	21	19,849	16,484	15,212	13,422
		<u>20,642</u>	<u>17,346</u>	<u>15,996</u>	<u>14,277</u>
Total capital and reserves		<u>20,642</u>	<u>17,346</u>	<u>15,996</u>	<u>14,277</u>

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 25 July 2018 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 2018

	Notes	2018 £'000	2017 £'000
Net cash inflow/(outflow) from operating activities	26	5,518	3,289
Investing activities			
Interest received		14	33
Payments to acquire other tangible fixed assets	14	(1,358)	(1,726)
Payments to acquire and/or construct housing properties and/or their components	13	(864)	(326)
Receipts from sale of housing properties		1,085	649
Receipts from sale of other tangible fixed assets		2	75
Government grants received		300	-
Government grants repaid		-	(117)
Net cash outflow from investing activities		(821)	(1,412)
Financing activities			
Interest paid		(313)	(214)
Net cash outflow from financing activities		(313)	(214)
Increase/(decrease) in cash and cash equivalents	27	4,384	1,663
Cash and cash equivalents at 1 April		16,276	14,613
Cash and cash equivalents at 31 March	28	20,660	16,276

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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 (trading as "Discovery"), 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 (trading as "Discovery").

All subsidiaries are charitable companies limited by guarantee.

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

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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 2018 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 £155k were released this year (2017: £140k 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 £498k (2017: £315k).

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 £308k (2017: £299k) 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 2018 amounted to £630k (2017: £511k) 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 2018 was £728k (2017: £790k).

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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.

Sleep-ins/National Minimum Wage (NMW)

Calculating the sleep-in top-up amounts requires assumptions to be made including which pay elements to include, the calculation itself, the time worked during the pay reference period, TUPE staff, etc. These assumptions and calculations have been reviewed both internally and externally to gain assurance over their accuracy and completeness.

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 2018 was £13,549k (2017: £14,144k).

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 2018 was £5,943k (2017: £6,458k).

Debtors

Trade and other debtors are recognised at transaction price after any trade discount offered.

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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

2 Accounting policies (continued)

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.

Government grants

Government grants include grants receivable from the Homes England, 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 England 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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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:

	Years
Building/Structure	80
Pitched Roof Coverings	80
Windows and doors	40
Electrical Installations	40
Bathrooms	20
Boilers	15
Kitchen and Utility Rooms	10

Land is not depreciated.

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:

	Years
Housing properties available for lettings	60
Other property	50
Building improvements	5
Household fixture and fittings	4
Plant machinery, fixtures and motor vehicles	4-10
Office, computer equipment and software	4-7
Dilapidation commitments	Over the life of the lease

Freehold land is not depreciated.

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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

2 Accounting policies (continued)

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.

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.

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.

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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

2 Accounting policies (continued)

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.

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.

Borrowing facilities

The Group holds a committed revolving credit facility of £10m which is to be used for general corporate and working capital purposes which expires in April 2022. As at 31 March 2018 the Group had available £10m (2017: N/A) of undrawn committed borrowing facilities with a floating charge over the Group's assets; all conditions precedent had been met.

Income and expenditure account

The Group has designated that £629k be used to fund social projects within Somerset. Designated funds are expected to be spent within 12-24 months of being earmarked.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

3 Particulars of turnover, operating costs, and operating surplus

GROUP	Turnover £'000	2018 Operating costs £'000	Operating surplus £'000	Turnover £'000	2017 Operating costs £'000	Operating surplus £'000
Social housing lettings (note 4(a))	3,224	(2,759)	465	3,038	(2,610)	428
Other social housing activities:						
Charges for support services (note 4(b))	178,474	(175,854)	2,620	130,862	(131,003)	(141)
Sub-total	181,698	(178,613)	3,085	133,900	(133,613)	287
Non-social housing activities	-	-	-	-	-	-
Total	181,698	(178,613)	3,085	133,900	(133,613)	287
PARENT						
Social housing lettings (note 4(a))	3,224	(2,831)	393	3,038	(2,700)	338
Other social housing activities:						
Charges for support services (note 4(b))	131,719	(130,683)	1,036	120,821	(121,179)	(358)
Sub-total	134,943	(133,514)	1,429	123,859	(123,879)	(20)
Non-social housing activities	-	-	-	-	-	-
Total	134,943	(133,514)	1,429	123,859	(123,879)	(20)

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

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Income				
Rents receivable*	682	544	682	544
Service income	465	399	465	399
Government grants taken to income	347	291	347	291
Charges to Managing Agents	1,730	1,804	1,730	1,804
Total income from social housing lettings	3,224	3,038	3,224	3,038
Expenditure				
Management	778	744	850	777
Services	287	225	287	226
Routine maintenance	607	337	607	393
Planned maintenance	72	201	72	201
Major repairs expenditure	258	407	258	407
Payments to agents	259	237	259	237
Depreciation of housing properties	653	599	653	599
Release of impairment provision	(155)	(140)	(155)	(140)
Operating costs on social housing lettings	2,759	2,610	2,831	2,700
Operating surplus from lettings	465	428	393	338

*Rents receivable are stated after deducting £22,000 (2017: £67,000) for void losses.

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

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

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Grants	162,966	113,924	120,685	107,768
Charges for support services	7,830	6,327	5,902	5,739
Supporting People	2,088	2,415	2,088	2,415
Other	5,590	8,196	3,044	4,899
Total income from social care	178,474	130,862	131,719	120,821
Expenditure on social care				
Management	167,322	122,196	125,711	113,313
Exceptional item: sleep-in back-pay	-	2,127	-	2,039
Services	6,667	5,123	4,210	4,537
Maintenance	1,239	940	171	726
Depreciation	665	617	591	564
Impairment	(39)	-	-	-
Total expenditure on social care	175,854	131,003	130,683	121,179
Operating deficit on social care	2,620	(141)	1,036	(358)

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):

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Non-executive directors	89	98	89	98
Executive staff members	974	967	781	883
	1,063	1,065	870	981

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 8.5% are made into the scheme (2017/18: £13k), 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:

	£'000	£'000	£'000	£'000
Emoluments	155	155	155	155

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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:

Headcount	GROUP		PARENT	
	2018 No.	2017 No.	2018 No.	2017 No.
Care staff	6,333	4,946	4,848	4,610
Administration	418	358	371	343
	<u>6,751</u>	<u>5,304</u>	<u>5,219</u>	<u>4,953</u>
Full Time Equivalent	GROUP		PARENT	
	2018 No.	2017 No.	2018 No.	2017 No.
Care staff	4,859	3,831	3,743	3,572
Administration	341	288	299	274
	<u>5,200</u>	<u>4,119</u>	<u>4,042</u>	<u>3,846</u>

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

	GROUP		PARENT	
	2018 No.	2017 No.	2018 No.	2017 No.
£60,000 to £69,999	7	5	4	3
£70,000 to £79,999	5	5	4	4
£80,000 to £89,999	2	1	1	1
£90,000 to £99,999	-	2	-	2
£100,000 to £109,999	3	-	2	-
£110,000 to £119,999	2	2	2	2
£120,000 to £129,999	1	-	1	-
£150,000 to £159,999	1	1	1	1

Staff costs	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Wages and salaries	121,491	89,750	93,699	83,411
Social security costs	9,478	6,961	7,347	6,460
Pension costs	5,402	1,974	2,216	1,933
	<u>136,371</u>	<u>98,685</u>	<u>103,262</u>	<u>91,804</u>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018
7 Surplus on disposal of fixed assets

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Proceeds from disposal of housing properties	1,105	249	1,105	249
Cost of sales	(492)	(191)	(492)	(191)
Incidental selling costs	(20)	(9)	(20)	(9)
Surplus on disposal of housing properties	593	49	593	49
Loss on replacement of housing components	(92)	-	(92)	-
Deficit on disposal of other fixed assets	(53)	11	(47)	7
Surplus for the year	448	60	454	56

8 Interest receivable and similar income

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank interest	14	33	14	33
Intercompany Loan Interest	-	-	11	12
	14	33	25	45

9 Interest payable and similar charges

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Finance cost on pension scheme	272	305	272	305
Bank loans	119	-	119	-
	391	305	391	305

Dimensions (UK) Limited**Notes to the Financial Statements for the year ended 31 March 2018****10 Surplus for the year**

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
The surplus for the year is stated after charging/(crediting):				
Depreciation and impairment:				
Housing properties	653	599	653	599
Impairment of housing properties	(155)	(140)	(155)	(140)
Other fixed assets	665	617	591	564
Impairment of other fixed assets	(39)	-	-	-
Auditor's remuneration:				
Audit	82	85	72	85
Operating leases rental	5,705	3,750	4,103	3,333
Exceptional items:				
Charge arising on sleep-in back-pay	-	(2,127)	-	(2,039)

The exceptional item in 2016/17 related to back-pay to top-up for sleep-ins worked.

Historically, there was a lack of clarity over whether National Minimum Wage (NMW) applied to all time spent on sleep-in shifts. Case law changed the way that HMRC enforced the legislation which dictated that on average NMW should be paid for all hours worked, including those on sleep-in shifts. In 2016/17, the Board decided that it was appropriate to revise the method for paying for sleep-in shifts to incorporate this. It was also agreed with UNISON that these changes would be back-dated to July 2016 and the cost of this back-pay (£2,127k) was recorded as an exceptional item in 2016/17.

Dimensions, like many providers, joined the Social Care Compliance Scheme (SCCS) to work with HMRC to assess any further back-payment required and where necessary to facilitate payment to employees and former employees. There continues to be significant uncertainty, however, with recent further case law again changing the sector's understanding of the legislation. The Board has therefore decided that payment of further back-pay is not probable. Consequently, no further liability for back-pay has been provided for in the 2017/18 accounts.

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 (trading as "Discovery"), 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:

	2018	2017
	£'000	£'000
Outreach 3 Way	685	498
Waymarks Limited	248	282
Dimensions Somerset SEV Limited (trading as "Discovery")	2,105	-

13 Housing properties GROUP & PARENT	Housing properties available for letting £'000	
Cost		
At 1 April 2017		32,876
Additions		864
Disposals		(783)
		<hr/>
At 31 March 2018		32,957
Depreciation and impairment		
At 1 April 2017		9,071
Depreciation charged during the year		653
Release of impairment provision		(155)
Disposals		(271)
		<hr/>
At 31 March 2018		9,298
Net book value		
At 31 March 2018		23,659
Net book value		
At 31 March 2017		23,805
		<hr/>
	2018	2017
	£'000	£'000
Housing property costs comprise:		
Freeholds	22,462	27,207
Long leaseholds	8,000	4,262
Short leaseholds	2,495	1,407
	<hr/>	<hr/>
	32,957	32,876
	<hr/>	<hr/>
Expenditure on works to existing properties comprise the following:	£'000	£'000
Components capitalised	498	315
Amounts charged to the income and expenditure account	258	407
	<hr/>	<hr/>
	756	722
	<hr/>	<hr/>

Impairment

Impairment of £155,000 was released (2017: £140,000) 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 2018
14 Tangible fixed assets
**a) Other fixed assets
GROUP**

	Property restated £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost				
At 1 April 2017	4,289	5,529	242	10,060
Additions	330	1,002	26	1,358
Disposals	(14)	(1,489)	-	(1,503)
At 31 March 2018	4,605	5,042	268	9,915
Depreciation				
At 1 April 2017	861	4,084	128	5,073
Charged during the year	58	585	22	665
Impairment	(39)	-	-	(39)
Disposals	(6)	(1,442)	-	(1,448)
At 31 March 2018	874	3,227	150	4,251
Net book value				
At 31 March 2018	3,731	1,815	118	5,664
Net book value				
At 31 March 2017	3,428	1,445	114	4,987

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

14 Tangible fixed assets (continued)

b) Other fixed assets					
PARENT					
		Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost					
At 1 April 2017		434	5,473	174	6,081
Additions		-	844	22	866
Disposals		-	(1,431)	-	(1,431)
<hr/>					
At 31 March 2018		434	4,886	196	5,516
<hr/>					
Depreciation					
As at 1 April 2017		64	4,028	81	4,173
Charge for year		6	570	15	591
Disposals		-	(1,382)	-	(1,382)
<hr/>					
At 31 March 2018		70	3,216	96	3,382
<hr/>					
Net book value					
At 31 March 2018		364	1,670	100	2,134
<hr/>					
Net book value					
At 31 March 2017		370	1,445	93	1,908
<hr/>					

15 Debtors

	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Due within one year				
Rent and service charges receivable	523	595	501	551
Less: provision for bad and doubtful debts	(121)	(164)	(114)	(145)
	<hr/>	<hr/>	<hr/>	<hr/>
	402	431	387	406
Trade debtors	12,970	10,172	11,188	9,446
Other debtors	16	-	8	-
Prepayments and accrued income	6,481	6,757	6,175	6,404
Amounts owed by subsidiaries	-	-	144	206
	<hr/>	<hr/>	<hr/>	<hr/>
	19,869	17,360	17,902	16,462
Due after more than one year				
Amounts owed by subsidiaries	-	-	1,777	1,872
	<hr/>	<hr/>	<hr/>	<hr/>
	19,869	17,360	19,679	18,334
	<hr/>	<hr/>	<hr/>	<hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	2,338	2,005	2,018	1,950
Rent paid in advance	129	118	127	114
Social housing grant received	347	291	347	291
Other creditors	986	914	867	804
Taxation and social security costs	2,969	2,196	2,151	2,073
Accruals and deferred income	14,903	11,529	8,006	7,813
Recycled capital grant fund (note 17)	1,518	1,514	1,518	1,514
	23,190	18,567	15,034	14,559

- 17 **Recycled capital grant fund**

	GROUP		PARENT	
	2018	2017	2018	2017
	£ '000	£ '000	£ '000	£ '000
At 1 April	1,957	1,945	1,957	1,945
Grants recycled	289	123	289	123
Interest accrued	5	6	5	6
Reduction on repayment of grant to Homes England	-	(117)	-	(117)
Balance at 31 March	2,251	1,957	2,251	1,957
Amount due for repayment to Homes England	1,518	1,514	1,518	1,514

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2018

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

	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Social housing grant received	17,994	18,290	17,994	18,290
Recycled capital grant fund (note 17)	733	443	733	443
	<hr/>	<hr/>	<hr/>	<hr/>
	18,727	18,733	18,727	18,733
	<hr/>	<hr/>	<hr/>	<hr/>

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

	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
In one year or less (note 16)	1,518	1,514	1,518	1,514
Between one and two years	321	320	321	320
Between two and five years	412	123	412	123
	<hr/>	<hr/>	<hr/>	<hr/>
	2,251	1,957	2,251	1,957
	<hr/>	<hr/>	<hr/>	<hr/>

- 19 **Non-equity share capital**

	PARENT	
Allotted, issued and fully paid	2018 £	2017 £
Ordinary shares of £1 each at 1 April	19	18
New shares	1	2
Cancellations	(11)	(1)
	<hr/>	<hr/>
Ordinary shares of £1 each at 31 March	9	19
	<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 2018

20 Restricted reserves

	At 1 April 2017 £'000	Transfer (to)/from income and expenditure account £'000	At 31 March 2018 £'000
Amenity Fund for respite care	5	-	5
Reserve related to Hollow Lane	410	-	410
Assets tied to autism related service	370	(6)	364
Reserves related to restricted funds	65	(65)	-
White Cliffs sensory garden	5	-	5
PARENT	855	(71)	784
Reserve related to O3W	7	2	9
GROUP	862	(69)	793

21 Income and expenditure account

	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Balance brought forward	16,484	16,659	13,422	13,878
Surplus/(deficit) for the year	3,156	75	1,517	(224)
Reduction in support to subsidiary	-	-	62	13
Transfers from/(to) restricted reserves (note 20)	69	(1)	71	4
Actuarial gain/(loss) on pension schemes	140	(249)	140	(249)
Balance carried forward	19,849	16,484	15,212	13,422
Income and expenditure account excluding pension liability	25,792	22,942	21,155	19,880
Pension liability	(5,943)	(6,458)	(5,943)	(6,458)
Income and expenditure account after including pensions liability	19,849	16,484	15,212	13,422

22 Financial commitments

There were no capital commitments as at 31 March 2018 (2017: £nil).

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

23 Operating lease commitments

At 31 March 2018 the Group had total commitments under operating leases as follows:

	Land & buildings		Other	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts due in:				
Less than one year	2,881	1,572	824	506
Between two and five years	6,687	2,818	1,238	558
Over five years	8,847	5,502	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	18,415	9,892	2,062	1,064
	<hr/>	<hr/>	<hr/>	<hr/>

23 Social Housing Units / Bed Spaces

	2018	2017
	Number	Number
Under management at the end of the year:		
Agency managed	520	506
Directly managed	320	328
	<hr/>	<hr/>
	840	834
	<hr/>	<hr/>

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:

	GROUP		PARENT	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Social Housing Pension Scheme	3,410	3,868	3,410	3,868
Royal County of Berkshire Pension Fund	2,533	2,590	2,533	2,590
	<hr/>	<hr/>	<hr/>	<hr/>
	5,943	6,458	5,943	6,458
	<hr/>	<hr/>	<hr/>	<hr/>

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 2% in 2018/19 and 3% in 2019/20. Employee's contribution is 1%. The total charge to the Group for the year was £472,000 (2017: £376,000).

As at 31 March 2018, 4,755 employees (2017: 3,159) were enrolled in the scheme.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

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 £481,000 (2017: £461,000).

As at 31 March 2018, 315 employees (2017: 299) 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 2018, the employer's rate of contribution was paid at the rate recommended by the Actuary of 14.38% (which includes a 0.08% admin fee). The employees' contributions ranged between 5% and 14.5%. The total charge to the Group for the year was £1,071,000 (2017: £977,000). As at 31 March 2018, 470 employees (2017: 429) 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 1/60th accrual rate, to 31 March 2007. From April 2007 the employer operated a career average re-valued earnings (CARE) scheme with a 1/80th 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. At 31 March 2018, 39 employees (2017: 39) were members of SHPS.

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.

25 Pension liability (continued)

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 £88,000 (2017: £95,000).

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 2018 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 £2,533,000 (2017: £2,590,000). 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 2018, the employer's rate of contribution was paid at the rate recommended by the Actuary of 22.7%. The employees' contributions' ranged between 2.75% and 12.5%. The contribution paid by Dimensions during the year was £12,000 (2017: £14,000). At 31 March 2018, 3 employees (2017: 3) were members of the Royal County of Berkshire Pension Fund.

As the scheme has few current members, under the projected unit method, the current service cost will increase as the members of the scheme approach retirement.

Somerset County Council Pension Fund

Dimensions Group joined a new defined benefit statutory scheme, the Somerset County Council Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings. Somerset County Council are responsible for the scheme deficit and so the organisation is exempt from including the FRS 102 disclosures in these statutory accounts.

During the year ended 31 March 2018, the employer's rate of contribution was paid at the rate recommended by the Actuary of 18.6%. The employees' contributions' ranged between 2.75% and 12.5%. The total charge to the Group for the year was £3,106,000 (2017: £nil). As at 31 March 2018, 1,094 employees (2017: nil) were members of the Somerset County Council Pension Fund.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

25 Pension liability (continued)

Barnsley Pension Fund

Dimensions Group also joined another new defined benefit statutory scheme during the year, the Barnsley Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings. Barnsley Council are responsible for the scheme deficit and so the organisation is exempt from including the FRS 102 disclosures in these statutory accounts.

During the year ended 31 March 2018, the employer's rate of contribution was paid at the rate recommended by the Actuary of 19.5%. The employees' contributions' ranged between 2.75% and 12.5%. The total charge to the Group for the year was £84,000 (2017: £nil). As at 31 March 2018, 33 employees (2017: nil) were members of the Barnsley Pension Fund.

The disclosures required by FRS102 are as follows:

Royal County of Berkshire Pension Fund

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

	2018	2017	2016
	% pa	% pa	% pa
Increases in salaries	3.80	4.20	4.30
Increases in pensions and deferred pensions	2.3	2.7	2.5
Discount rate	2.55	2.8	3.8
Retail price inflation	3.3	3.6	3.4
Consumer price inflation	2.3	2.7	2.5

The assets in the scheme were:

	Actual asset allocation 2018	Actual asset allocation 2017
Equities	48%	49%
Other bonds	15%	15%
Property	13%	14%
Cash	15%	10%
Target Return	4%	10%
Commodities	2%	2%
Infrastructure	3%	-
	<u>100%</u>	<u>100%</u>

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

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

25 Pension liability (continued)

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

Balance sheet disclosure

	2018 £'000	2017 £'000	2016 £'000
Present value of the defined benefit obligation	4,392	4,449	3,960
Fair value of fund assets (bid value)	(1,859)	(1,859)	(1,709)

Net liability in balance sheet

2,533	2,590	2,251
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Analysis of the amount charged to operating surplus

	2018 £'000	2017 £'000
Current service cost	(21)	(18)
Total operating charge	(21)	(18)

Analysis of the amount charged to other finance income

	2018 £'000	2017 £'000
Net interest on the defined benefit liability	(73)	(85)
Administration expenses	(1)	(1)
Total loss	(74)	(86)

Analysis of amount recognised in statement of comprehensive income

	2018 £'000	2017 £'000	2016 £'000
Return on fund assets in excess of interest	9	191	(104)
Experience gain on defined benefit obligation	-	346	-
Other actuarial gains/(losses) on assets	-	22	(289)
Change in financial assumptions	131	(887)	323
Change in demographic assumptions	-	79	-
Remeasurement of the defined liability	140	(249)	(70)

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

25 Pension liability (continued)

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

	2018 £'000	2017 £'000
Opening defined benefit obligation	4,449	3,960
Service cost	21	18
Interest cost	124	148
Contributions by scheme participants	3	4
Net of change in assumptions and experience	(131)	462
Estimated benefits paid net of transfers in	(74)	(143)

Closing defined benefit obligation

4,392 4,449

Reconciliation of opening and closing balances of the fair value of fund assets

	2018 £'000	2017 £'000
Opening fair value of scheme assets	1,859	1,709
Interest on assets	51	63
Return on assets less interest	9	191
Employer contributions	12	14
Contributions by scheme participants	3	4
Actuarial gains/(losses)	-	22
Administration expenses	(1)	(1)
Estimated benefits paid (net of transfers in)	(74)	(143)

Fair value of scheme assets at end of year

1,859 1,859

Reconciliation of opening and closing surplus

	2018 £'000	2017 £'000
At beginning of the year	(2,590)	(2,251)
Service cost	(21)	(18)
Interest cost	(73)	(85)
Employer contributions	12	14
Actuarial gain / (loss)	140	(249)
Administration expense	(1)	(1)

Deficit in scheme at end of year

(2,533) (2,590)

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

25 Pension liability (continued)

Amounts for the current and previous periods	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Defined benefit obligation	(4,392)	(4,449)	(3,960)	(4,206)	(3,504)
Scheme assets	1,859	1,859	1,709	2,106	1,941
Deficit	(2,533)	(2,590)	(2,251)	(2,100)	(1,563)
Experience adjustments on scheme liabilities	131	(462)	-	-	(372)
Percentage of liabilities	3%	(10.4%)	-	-	(10.6%)
Experience adjustments on scheme assets	-	22	(289)	58	62
Percentage of assets	-	1.2%	(16.9%)	2.8%	3.2%
Cumulative actuarial loss	(1,364)	(1,504)	(1,255)	(1,185)	(692)

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

	GROUP	
	2018 £'000	2017 £'000
Group operating surplus after exceptional items	3,085	287
Depreciation of tangible fixed assets	1,318	1,216
Release of impairment provision	(194)	(140)
Difference between pension charge and cash contributions	(461)	(245)
Increase in debtors	(2,509)	(3,567)
Increase in creditors	4,600	6,091
Increase / (decrease) in provisions	26	(62)
Amortisation of government grant in the year	(347)	(291)
Net cash inflow/(outflow) from operating activities	5,518	3,289

The prior year operating surplus included the £2,127,000 exceptional item charged for sleep-in back-pay.

27 Analysis of changes in net debt

Group	At 1 April 2017 £'000	Cash flow £'000	At 31 March 2018 £'000
Cash at bank and in hand	16,276	4,384	20,660
Total	16,276	4,384	20,660

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

28 Reconciliation of net cash flow to movement in net funds

	GROUP	
	2018 £'000	2017 £'000
Increase / (decrease) in cash in the year	4,384	1,663
Change in net funds	4,384	1,663
Net funds at 1 April	16,276	14,613
Net funds at 31 March	20,660	16,276

29 Incorporation

Dimensions (UK) Limited is registered with Homes England 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 £24,000 (2017: £5,000) to employ a Charity Works graduate trainee. 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 £14,000 (2017: £8,000) in membership and consultancy 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.

Andrew Britton, a Waymarks Board member, received £1k from Dimensions UK as remuneration for attending the Dimensions UK Group Audit Committee meetings.

Dimensions UK has supported the son of Martin Boniface, a Waymarks Board member, during the year via the supported living scheme. There has been no financial transaction between the two parties during the year as the support given was funded by the South Worcestershire Clinical Commissioning Group.

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. This arrangement ended on the 30th April 2017 when Dimensions stopped being a sponsor of Autism Schools Trust. Dimensions has charged £1,000 for personnel services (2017: £17,000) and £6,000 for accounting service (2017: £70,000, of which £22,000 was a donation in kind) during the year. There was no outstanding balance at the year-end between the two parties (2017: £101,000).

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2018

31 Off-balance sheet arrangements

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

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.

33 Provisions for liabilities	GROUP		PARENT	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Aggregate provisions for liabilities	1,350	1,324	1,329	1,280
	<hr/>	<hr/>	<hr/>	<hr/>
	1,350	1,324	1,329	1,280
	<hr/>	<hr/>	<hr/>	<hr/>
Group	Dilapidations £'000		Income adjustments £'000	Total £'000
At 1 April 2017	299		1,025	1,324
Release of provision	(18)		(371)	(389)
Additions	27		468	495
Utilised	-		(80)	(80)
	<hr/>		<hr/>	<hr/>
	308		1,042	1,350
	<hr/>		<hr/>	<hr/>

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. 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	Dilapidations £'000		Income adjustments £'000	Total £'000
At 1 April 2017	294		986	1,280
Release of provision	(18)		(341)	(359)
Additions	19		468	487
Utilised	-		(79)	(79)
	<hr/>		<hr/>	<hr/>
	295		1,034	1,329
	<hr/>		<hr/>	<hr/>

34 Social Care Compliance Scheme

On the 13th July 2018, the Court of Appeal ruled, in the *Royal Mencap Society versus Tomlinson-Blake* case, that National Minimum Wage is not payable for time that support workers are asleep during a sleep-in shift. This case overturned rulings to the contrary, by both the Employment Tribunal in 2016 and the Employment Appeal Tribunal in 2017. It is felt that a further successful appeal is remote.