



Dimensions (UK) Limited
Report and Financial Statements
for the year ended
31 March 2020

Proving life can get better

Co-operative & Community Benefit Society Number: 31192R

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Dimensions (UK) Limited
Statutory Information

The Board	Nick Baldwin CBE (Chair) Anne Barnard (Vice Chair) Calum Mercer Christine Cryne (Resigned March 2020) Delyth Lloyd-Evans Gordon Lyle Kevin Lewis Nick Turner (Resigned September 2019) Sherry Malik Steve Scown Shain Wells	
Executive Directors	Steve Scown Mark Horlock (resigned September 2019) Ian Goodacre (appointed September 2019) Stella Cheetham Jackie Fletcher Bob Tindall (resigned July 2019) Rachael Dodgson (appointed June 2019) Chris Woodhead Simon Blyghton Luke Joy-Smith	Chief Executive Officer Group Director of Finance Group Chief Financial Officer Group Director of People and Organisational Development Group Director of Quality, Public Affairs and Policy Managing Director Managing Director Group Director of Housing and Business Development Director and Waymarks Managing Director Director and Discovery Managing Director
Principal and Registered Office	1430 Arlington Business Park Theale Reading RG7 4SA	
Bankers	National Westminster Bank Plc 13, Market Place Reading RG1 3BB	HSBC Apex Plaza, Forbury Road Reading, RG1 1AX
Solicitors	Trowers & Hamblins 3 Bunhill Row London, EC1Y EYZ	
Auditor	KPMG LLP 66 Queen Square Bristol, BS1 4BE	
Internal Auditors	BDO LLP 55 Baker Street, London, W1U 7EU	
Co-operative & Community Benefit Society Number	31192R	
Regulator of Social Housing Number	4648	

Dimensions (UK) Limited Operating and Financial Review

Our 2019/20 year has been the final year of our *Dimensions 2020* strategy as we have continued 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.

As the year ended the Coronavirus pandemic began to impact upon the UK and particularly the health and social care sectors. We have had a Pandemic Emergency Response Plan in place for a number of years and our regular reviews and updates have prepared us well.

It was another challenging year for organisations across our sector and we are pleased to report that we have continued to make good progress against all five of our strategic pillars. Our continuous strengthening of capacity to measure and understand our performance has helped us manage risk more effectively and respond positively to emerging challenges.

Financial strength and resilience are core to any organisation's sustainability and there are some key achievements to note in this context. Constructive negotiations with commissioners have, as is becoming the norm, been a key factor in maintaining our operating surplus of £3.7m. Whilst slightly below our target of 2%, this result - coupled with successful maintenance of our cash liquidity (which includes a revolving credit facility) above our target of 2 months of payroll costs - is acceptable given the environmental challenges facing us.

We have continued to grow and support more people year on year (a net increase in group turnover of £5.1m). This has again been achieved through a mix of new business, reduction of unplanned attrition and negotiation of uplifts in our existent contract prices. This growth, together with the implementation of further savings during the year, enabled our Group overhead to be contained at 5% of direct costs, enhancing both our competitiveness in the sector and our value for money offer to our commissioners. A particular positive was ending this year much further ahead in negotiating our budgeted price uplifts for the following year than we had previously achieved.

The final year of our Housing Strategy – to be updated in 2020/21 - has seen some further good progress as we have supported 25 people move into their own homes this year, including people who were housed in their own individual homes after long-term hospital stays.

We have strengthened our focus on the quality and safety of all the services we deliver. At the heart of our core activity is our support model - 'Activate' – and this has now been adopted across all of our Dimensions UK services and we have begun its introduction into our Discovery services. Activate has enabled us to evidence our support in people achieving outcomes with over 25,000 outcomes recorded in Activate and over 9,000 outcomes achieved.

We have seen continued progress in Making Safeguarding Personal, particularly in addressing incompatible living arrangements and medication errors across the organisation. This work will continue throughout 2020/21, as will our focus on reducing loneliness which continues to be a factor in the lives of many of the people we support.

We believe that listening to people we support and their families is an inherent part of being an exemplar provider. The impact of our experts by experience, comprising people with learning disabilities and people who are experts through their experience as family members continues to grow and has proved incredibly valuable in challenging and inspiring what we do and achieve as an organisation. Dimensions ended 2019/20 with CQC / CIW scores of good or outstanding running at 94% at all of its services.

Continuing to support people we support and their families to have a louder voice is a long-standing commitment and so our small Public Affairs team has continued to focus on two of their priorities and that is to raise the awareness of – and to tackle – hate crime and health inequality. Our #ImWithSam campaign is now in its 5th year and we are very pleased that our Dimensions Campaigns Advisor, Dr Mark Brookes, was awarded an MBE in the New Year's Honours in recognition of his many years of campaigning for the rights of people with learning disabilities and autism.

Dimensions (UK) Limited Operating and Financial Review

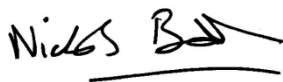
Recruitment and retention of the staff we need to deliver great support is always a challenge and we continue to work in a very difficult recruitment market. Reducing the use of agency staff is a continuing objective but there has been progress in some important areas. In recruitment, a fundamental review of our processes has helped achieve a sustained reduction in time-to-hire figures (offer to start date) to a very impressive average of just 12.5 days. In terms of retention, we are proud that our voluntary staff turnover rate of 15.22% compares very well to the 27% rate across the adult social care workforce.

Equality is core to our ethos, so we place great importance upon our annual review's confirmation that there is almost no gender pay gap in Dimensions. Further, as a leading national provider of support for people with disabilities, we have a very strong commitment to employing people with a disability and we are pleased to retain the Louder than Words Accreditation by Action on Hearing Loss.

Acknowledging the challenges we face in recruitment and retention alongside the transient nature of some of our workforce in a contracting environment, strong colleague engagement is critical to our success. We believe it is fundamentally important to demonstrate how much we value the contribution of everyone who works for us and we have continued to invest in both enhancement of the working environment and provision of opportunities for colleagues to broaden their experience and develop their skills. We have continued to see progress in this area and were pleased to continue to be accredited as a Great Place to Work in the 'super large' category of Great Places to Work Assessment – improving our ranking from 17 to 13. Helping colleagues be the best they can be is critical if we are to achieve our strategic intent of being an exemplar provider.

Through our work this year on a new strategy for the five years to 2025 we gained a much greater understanding of our environments and how these might impact upon the lives of the people we support and aspire to support in the future. We look forward with our values affirmed and a clear ambitious strategy of Better Lives for More People.

We have 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 go to everyone who has worked with us over the past twelve months but especially our colleagues. It is the skill and commitment of our colleagues across the Dimensions Group which have been and even more so now we face the challenges of responding to the Pandemic absolutely critical to everything we do. There is much to celebrate but the challenges are unrelenting. Our commitment to continuous improvement is unabated: we remain determined to challenge, to learn from mistakes as well as from what we do well, and to seek out new ideas and new ways of working.



Nick Baldwin
Chair



Steve Scown
Group CEO

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, Dimensions Somerset SEV Limited (trading as "Discovery") and Dimensions Personalised Support Limited.

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 accommodation for 925 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	686	27	244
Care homes	32	180	150
Total	718	207	394

Vision, Mission and Values

Dimensions' vision is better lives for more people. 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’ 2020 strategy was underpinned by the following strategic pillars:

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 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 of £3,727,000 (2019: £3,685,000). The total surplus recognised in the Income and Expenditure Account was £3,898,000 (2019: £3,249,000). Within this surplus, Dimensions (UK) Limited, the Group Parent, made a surplus of £2,869,000 (2019: £1,301,000).

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

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Turnover	201,810	196,728	181,698	133,900	122,724
Operating surplus (before exceptional items)	3,727	3,685	3,085	2,414	1,705
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)	3,727	3,685	3,085	287	463

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

Balance sheet highlights:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Cash and investments	19,223	23,039	20,660	16,276	14,613
Capital and reserves	27,223	21,625	20,642	17,346	17,520

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 or what the long-term impact of Covid-19 will be. 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.

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, the Care Quality Commission (CQC), Charities Commission and CIW have higher expectations of leadership and governance.

Dimensions (UK) Limited

Operating and Financial Review

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 2018, at £25.6m. 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, 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, 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 Statement 2019/20

Dimensions' core business, as defined by its Group Board, is 'the provision of high-quality personalised support for adults with a learning disability and/or autism, focusing on those with more complex needs'. Fundamentally, Dimensions' is a *people business* – it succeeds when it has the capacity and capability to deliver great support to people who need it.

Dimensions operates at scale in a sector where operating costs are high and margins are small: in a successful year, Dimensions can hope to achieve a 2.5% surplus from a turnover of c.£200m. As a result, the achievement of value for money (VFM) is not just central to Dimensions' ethos, it is imperative: if Dimensions does not achieve efficiency in its operations and deliver value to its consumers and commissioners, it will fail.

Dimensions' Strategic Approach to VFM – *Better Lives for More People*

The year 2019/20 was the final year of implementing Dimensions' outgoing strategy *Dimensions 2020*. The focus of this document is the work completed in the year but it is right to look forward and examine how the achievements of *Dimensions 2020* have influenced the Group's future strategic approach to VFM.

Dimensions' new Group strategy for 2020-25 places VFM at its heart. *Better Lives for More People* is not just the name of the strategy, it is the redefined vision for the organisation: a simple statement that encapsulates Dimensions' drive to improve the lives of people it supports and to offer those improvements to others with a learning disability or autism.

The new strategy is supported by five 'pillars' that, taken together, align with the essence of VFM. These Pillars are broad and, structurally, behave as one in supporting the Group's strategy. Within them are a series of strategic aims that, successfully delivered, will enhance the Group's delivery of VFM through the next five years:

- **Quality - better lives; impact for our sector** - concerns itself with keeping people well to reduce pressure on statutory services, supporting them into employment to reduce cost to the State and improvement of services to increase satisfaction and peoples' perception of *value*.
- **Reputation - valued by stakeholders; a Group people want to work for and with** - is all about being recognised as a great partner to work with, a provider that commissioners will recommend because we deliver social impact, quality and, of course, VFM itself.
- **Scale – supporting more people; ability to invest and deliver economies** - describes the Group's commitment to preserve and develop scale that it has worked hard to achieve – scale that is important not for its own sake but because of the economies that it can offer to commissioners, reducing cost to the sector – for example in its work to develop new offers to reduce sector reliance upon institutional services.
- **Capacity - capacity and capability to deliver where and when it matters** - underlines the Group's intent to offer value to the sector through professionalising its workforce, building capacity to further support scale in leadership, management and delivery and, crucially, exploiting technology to improve quality, capacity and efficiency.
- **Sustainability - sustainable for stakeholders; resilient in our environment** - focuses the Group on enhancing productivity, ensuring that critical processes and the systems that support them are more efficient, and reducing risk by diversifying its income streams.

The organisation's VFM aims (financial, social and environmental) are to make sure that every penny spent leads to tangible and ambitious benefits for the people it supports. Dimensions' commitment is to find the most effective balance between cost and quality in all areas of its work, doing the things it has to do (which we call 'hygiene') efficiently to ensure that the maximum resource can be spent upon the things that genuinely and evidentially change lives ('impact').

Dimensions (UK) Limited Governance Report

Governance

The Group Board has systems in place, supported by a themed committee structure, to ensure that it achieves appropriate oversight of objectives that support VFM. Indeed, an externally facilitated review of governance itself was undertaken by Campbell Tickell in 2019/20, aimed at ensuring that governance is not only effective but also efficient. This review has led to some key changes in the way that governance is conducted and administered to optimise the use of non-executive and executive time, enabling the leadership to focus clearly on delivery of outcomes for people we support.

This VFM report clearly identifies how value for money was achieved in relation to each of the pillars in the final year of the outgoing strategy: Personalisation, Development, Engagement, People, and Organisation. The specific VFM performance of the Housing function is also considered herein.

This statement includes a critical assessment of the performance of assets and resources, considering 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.

Keeping Stakeholders Informed

The Dimensions' VFM Statement can 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).

A Note on the Impact of COVID-19

The largely unforeseen pandemic has had wide-ranging impact upon the business world and society. Social care organisations, as part of an ecosystem that includes the NHS, HM Government, local authorities and a wider commercial network of suppliers, have been significantly adversely affected. Coming late in the 2019/20 year, the impact upon the retrospective elements of this statement is limited. However, the design and implementation of VFM objectives for 2020/21 is immeasurably impacted at the time of preparing this statement. The pandemic coincides with the launch of our new Group strategy but will, unquestionably, delay the commencement of some of its initiatives and – in some cases – alter their course or validity in the longer term. This statement will not make repeated reference to Covid-19 unless of specific relevance to the subject matter. Rather it is a critical backdrop that readers must be mindful of in reading the narrative.

How Value for Money is managed and monitored

Social care contractual income – derived from a mix of tendered contracts and direct referrals - represents around 95% of the Group's income. Contractual awards are based on competitive tendering that tests both quality and price: a process that represents a significant and objective test of Dimensions' ability to deliver VFM from the perspective of the purchaser. Likewise, in procurement frameworks and referral mechanisms, purchasers test Dimensions' quality and pricing before making the decision to appoint Dimensions to support people. In this way, VFM is embedded in our contracting.

The Dimensions five-year plan documents the organisation's response to the various economic pressures it faces and incorporates targets for improvements in VFM in specified areas. This, together with the risk management and stress-testing processes, ensures that the organisation remains financially viable and able to provide people with high-quality, safe support. It also enables Dimensions to invest in continuous service improvement and in colleagues to develop them to their full potential.

The Board is satisfied with the progress made in 2019/20 in many areas of the VFM programme, in particular in relation to colleague engagement, retention and 'own staff' usage. Growth has also been pleasing, with gains in tendered contracts and individual referrals. Further, there has also been ground gained in productivity and system enhancement, both of which enhance the Group's delivery of VFM.

Dimensions (UK) Limited Governance Report

However, there are areas requiring further improvement, notably satisfaction with private landlord accommodation that Dimensions uses, management cost per unit in housing (heightened due to investment in health, safety and compliance works as well as increased reactive maintenance) and the volume of income that is attributed to Dimensions Personalised Support Limited.

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 2019 statement, is set out in the pages that follow.

Personalisation

To deliver 'just enough support' that reflects the aspirations of every person supported

Critical to VFM is quality of delivery and our key performance indicators for quality and safety of our services are the CQC/CIW rating (percentage of services with a "Good" rating) and the quality assessments made in our own internal compliance reviews. Experts by experience are fully involved in the internal compliance reviews. Together, the CQC/CIW and internal compliance reviews cover all our regulatory requirements for operational services.

The Group ended the year with a CQC/CIW rating of 94% (March 2019: 95%). The minor decline is due to a handful of "Requires Improvement" ratings received in one particular area. In each case, Service Improvement Plans have been implemented to address the issues found. We do not perceive a material impact upon VFM as a result. Dimensions continues with two services rated as "Outstanding".

The March 2020 internal compliance rating was 73% (March 2019: 77%, target: 80%). The expectation remains that internal compliance scores will gradually increase over the coming year and the target remains at 80%. Each internal compliance review also concludes with a Service Improvement Plan developed with the manager and their team. Again, whilst the outturn is disappointing, there is a detailed organisational narrative to some of the qualitative challenges that Dimensions faces and we are working hard to address the issues.

A key VFM objective for 2019/20 was that each service would achieve at least one outcome in all the five *Activate* person-centred domains, excluding people who get fewer than 30 hours' support per week. Activate is our person-centred support model which has been rolled out carefully over a number of years following a detailed pilot. This objective was a significant undertaking and although it has not yet been fully met, we now have over 25,000 outcomes set for people we support with over 9,000 of those outcomes achieved. We also planned to begin to implement Activate in our Discovery services and roll-out is on track. Our ability to demonstrate outcomes supports delivery of VFM.

We know that contributing to wider social aims supports VFM. Dimensions' work in promoting the health and wellbeing of people with PMLD (Profound and Multiple Learning Disabilities), focussing on the mental health of the people we support, preventing Pneumonia and preventing Sepsis has been core to this. We have signed up to the Profound and Multiple Learning Disabilities Core and Essential Service Standards and have set up an internal working group to ensure these standards are embedded in our work. We have signed up to be part of a mental health peer support network for people with learning disabilities called Pass it On and will be training some people we support to be the facilitators of local groups. All of this work supports people to be healthier and – whilst the savings are not cashable – enhances satisfaction with services through greater wellbeing.

Our Death Review Panel continues to meet quarterly to review all learning from any deaths of people we support. We have undertaken a specific piece of work looking at the underlying health issues of anyone who died from pneumonia and this will help us understand what more we might be able to do to help people live longer, healthier lives, delivering social value in the process.

Following on from our work in 2018/19 in the area of STOMP (Stopping the Over-Medication of People with Learning Disabilities) a key VFM objective for 2019/20 was to achieve a reduction in the volume of medication errors on a quarter-by-quarter basis. Errors carry a human and financial cost. The Group's Medication Errors Plan featured initiatives to fix straightforward issues on the spot and enabled managers to plan sustainable improvements. By supporting Locality Managers to review all aspects of

Dimensions (UK) Limited Governance Report

medication administration on site, introducing new training in medication administration and assessing of staff competence in administering medication, we have successfully reduced medication errors over a sustained period by 29%. This is a significant non-cashable VFM achievement, enabling the Group to do more with the same resources.

Development

To increase Dimensions' ability to support more people better

The objective to better support more people requires Dimensions to both continuously improve the quality of support it delivers and to make that support available to more people. The commencement of new support requires investment from Dimensions and its stakeholders. Sustainability and success are, therefore, critical to securing VFM. Dimensions relentlessly seeks to optimise the use of its assets and grow the organisation in a sustainable, impactful way.

Growth

Overall (annualised) net growth in the organisation in 2019/20 was £13.147m (2018/19: £10.361m); - 4.3% (and £0.59m) below target. Although the net annual growth target was not achieved, the level of secured new growth still exceeded the previous year (£17.533m in 2019/20 compared to £16.006m in 2018/19). This was achieved despite unplanned attrition in complex single person services being higher than expected, a service in Telford being decommissioned (£250k) and loss of c.£800k revenue in Stoke. The challenges of implementing the Transforming Care programme have been significant and progress continues to be slower than desired across the country for both commissioners and providers: 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.

Growth is dependent upon retention and here there was good success – we retained significant contracts in Cardiff and Oxfordshire, growing the footprint and enhancing sustainability in both cases, though unfortunately were not successful in retaining services in Stoke. Mobilisation of services in Oxfordshire will be delayed because of Covid-19 – foreseeably by a quarter.

A key VFM objective was to create a clear good practice guide for contracting, development and delivery of support for people with complex needs. The resultant 'Protocol', a document which sets out a required way of working in setting up and delivering complex services, is a critical VFM activity as it is directly aimed at preventing expensive service failure. We know that, when a service for someone with very complex needs fails, the costs – human and financial – are significant. The Protocol is a critical organisational tool to prevent waste and promote efficiency in supporting people where our investment – and that of stakeholders – is high.

A related VFM objective for 2019/20 was to develop an organisational response for people in crisis. Crisis can lead to service failure that creates huge costs and inefficiency for both Dimensions and the wider sector. For example, in 2018/19, there were 15 instances of complex services breaking down with the resultant attrition of £2.4m in revenue; and 5% of all Dimensions referrals are for people who have been identified as in crisis and/or require an emergency placement. Dimensions' work on crisis was divided into two work-streams: formulation of an operational crisis model for people we support and market assessment which can inform the model for new referrals. Both have been completed: the first brought together intelligence and know-how from across the organisation and the strengthening of existing tools and guidance. The second strand has assessed the wider market and whether this operational model could apply to new referrals. The ultimate aim, in VFM terms, is to ensure the very best use of the Group's resources in preventing expensive service failure and, if we are successful in delivering wider crisis services, both increase the Group's sustainability and add value to the sector.

Dimensions (UK) Limited Governance Report

Engagement

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

The health and wellbeing of people we support is critical to the delivery of VFM. Put simply, good health saves money and supporting people to live better has been a specific value focus for Dimensions in the last two years.

Our 2018/19 #MyGPandMe health campaign focused on training GP staff on how they can better serve people with learning disabilities. Equality of access to good healthcare enables better use of resources, identifying issues earlier, reducing treatment cost and improving the prospects for positive outcomes.

We sought to build on our #MyGPandMe by developing a fee-based training offer (which may become accredited training in time) for GP Practices attended by people that Dimensions support. This has continued our learning disability and autism training for GP surgeries and provided funding to enable the initiative to continue.

We have also responded to the government's consultation on mandating awareness training and influenced the key principles on which mandatory training is being developed and implemented, delivering value beyond our organisational boundaries. We have worked with other forums, such as the LeDeR network, to promote training in primary care.

Furthering the VFM principle, Dimensions led some work for Assura, a national primary care property company that helps GPs, GP federations, primary care networks and NHS Trusts with challenges posed by their premises, looking at the design and layout of GP buildings to facilitate better access. *#MyGPandMe: Building Better Together* brings together and promotes the voices and experiences of disabled people and those that support them – including family, friends, and paid support workers. In setting out both quantitative and qualitative data gathered from over 600 disabled people, we aim to highlight good practice and areas for change so that everyone with a disability or those experiencing disabling conditions can access primary care services on an equal basis.

Through our public affairs work, we have sought to influence government policy both in relation to the barriers to employing people with learning disabilities and in relation to wider recruitment in social care. So much resource is spent upon finding the right people to deliver quality services, it is a critical VFM issue for the Group. We have worked through the All Party Parliamentary Group on Adult Social Care to engage policymakers on the advancement of parity of esteem between health and care to attract more people to the sector (the establishment of the new 'Care' brand has been pleasing to note); developing cross-party agreement on key recruitment issues. Our intention is that a refreshed perception of the value of social care, possibly supported by the Covid outbreak, will enable us to do more with our resources, spending less on recruitment.

The partnership work with The Institute for Person Centred Approaches in India (IPCAI) continues with five Discovery colleagues making our reciprocal visit in 2019/20. Our aim for this work continues to be to enhance the profile of Dimensions by spreading best practise and investing in what we believe is socially right to improve outcomes for people we support and those who work with us.

Dimensions (UK) Limited Governance Report

People

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

The quality and effectiveness of care and support is significantly dependent upon the quality of the people delivering it. Therefore, the effectiveness of recruitment, colleague retention and the way our people are managed and developed has a direct impact on the social and economic value for money created. Although recruitment and retention have been a challenge for us in an era of record high employment, we have made significant strides this year against several key measures. This is one area where we may reasonably forecast that the economic damage done by Covid-19 could assist the Group: higher unemployment is likely to make recruitment easier and reduce agency usage, two elements that will increase our delivery of VFM.

Reduction of voluntary staff turnover was a priority for 2019/20. We aimed to reduce this by 2% by focussing on the retention of those people leaving within 12 months of joining the organisation. The voluntary employee turnover achieved for 2019/20 was on target at 15% in the first 12 months of service – a significant achievement.

Dimensions' own staff contracted hours and bank relief staff availability improved from 96% to 98% of the hours we were contracted to deliver (before overtime and other backfill), which is below the target (100% at March 2020) and has contributed to agency costs remaining high in some areas of the country. In many parts of the Group there was strong performance towards meeting the target but figures were affected by recruitment and retention issues in our Discovery subsidiary and in some other parts of the country – notably Beds, Bucks, Cambs and Herts and West Berks.

Colleagues that do not have essential training are not available for work and can adversely influence our productivity. We are pleased to have achieved and sustained our essential training compliance at the target of 90% (2018/19: 90%).

During the year, we have again participated in the Great Places to Work Scheme and used this as the basis for our colleague survey to test engagement. The outcome of the survey showed that employee engagement had increased from 72% in 2019 to 75% in 2020. This is relevant as employee engagement is a key factor in driving quality, reducing staff turnover and, therefore, delivery of VFM. We continue to explore initiatives with colleagues across the Organisation to improve this further.

Linked to this was an objective to deliver a public relations campaign (25 - 30 stories in national, regional and trade media) to enhance the profile of Dimensions as a great employer and social care as an attractive sector in which to work. This has been a success – we have secured coverage in a range of print, online, broadcast and social media at national (9 items), consumer (4 items) and regional (22 items) levels without significant extra cost to the business – essentially *more for the same*. The Group also participated in six media interviews on the subject. The project moves to *business as usual* in 2020-21 as we continue in this aim.

A final VFM objective for 2019/20 was to inform the Management Development Programme, acknowledging that continuous development of our leadership delivers huge benefits in terms of fostering good colleague engagement and service improvement. In 2020/21 we will move to obtain 360 feedback for all managers against a series of agreed leadership behaviours, including coaching approach and accountability. This work will build upon two critical pieces of delivery in 2019/20:

- All new managers and managers, who are new to a management role for the first time, now complete the Skills for Care Lead to Succeed programme, which equips them with the knowledge, skills and confidence to perform effectively as managers.
- We launched the Management Hub to all managers, which provides a range of training and resources aimed at meeting the training needs that managers most commonly have.

Dimensions (UK) Limited Governance Report

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. The Board has determined that targeting a 2% Operating Surplus and minimum cash liquidity at 2 months of payroll (including payroll taxes) over the medium term is enough to manage the risk and volatility inherent in the Organisation's operating environment.

The Operating Surplus for the year was 1.8% (2018/19: 1.9%), slightly lower than the 2% budgeted. Principal factors affecting the Operating Surplus were:

- Staff productivity was overall close to budget (79%), as were our own staff levels available (average 98%). We recognise, however, that despite 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 there is significant competition from other sectors, our staffing levels need to be improved and our target remains at over 110%;
- Our target for contract price uplifts through negotiations with all commissioners was met. As anticipated, however, there was some margin erosion on some contracts where overall contract price uplifts did not fully cover increased costs for National Living Wage, sleep-in services and other pay increases. Future viability of these contracts is under review;
- A continued focus on contracts that do not meet Dimensions' minimum viability threshold (able to cover their direct costs, overhead and make a small contribution to surplus) and implementation of improvement plans to restore satisfactory trading positions. Where this was not possible then the difficult decision to terminate these contracts was taken. In 2019/20, contracts totalling £1.0m were terminated on this basis (2018/19: £1.0m);
- As set out in previous years' reports, a Cash Plan was implemented during 2018/19 to improve operating surplus and cash liquidity levels and this yielded some benefits;
- The transformation and modernisation of the Somerset subsidiary Discovery continued in 2019/20. Note that 50% of the operating surplus from this subsidiary is put aside to fund social enterprise investment in future years;
- Other net growth was higher than budgeted giving incremental contribution.

A key activity in 2019/20 was to manage cash liquidity. Activities to improve cash-flow were effective, and the cash liquidity that includes the £10m revolving credit facility remained safely above the target of two months of payroll throughout the year.

In 2018/19, Dimensions created a trading subsidiary as part of reasonable and prudent tax planning to improve the Group's ability to recover VAT and enhance its sustainability. Dimensions undertakes annual negotiations with all commissioners to achieve satisfactory contract pricing and accommodate increased costs associated with the National Living Wage, sleep-in services, auto-enrolment and pensions. Negotiations in 2019/20 included proposals to novate contracts to the new VAT-registered operating subsidiary (the existing Group companies, therefore, providing care and support under sub-contracting agreements) so that our ability to recover VAT is improved. So far we have recovered £0.3m in VAT in 2019/20: a slow but promising start which will be subject to renewed focus once discussions with commissioners recommence after the impact of Covid-19 and other critical matters have been addressed.

A key objective in FY19/20 was the replacement of Dimensions' Time Management System (DTMS) and delivery of a new Enterprise Data Warehouse in order to support well-engineered process and move to a single source of data ('one truth') that together improve efficiency and hence VFM. Work on Dimensions Online (MVP) and Enterprise Data Warehouse has continued throughout this year and made significant progress. Another large part of IT delivery is ensuring that a given product or service meets the data and security control standards of the business. This was strengthened during FY19/20 with the establishment of an IT Project Board comprising the Group Executive and Group Director of IT and provides strong governance, control and visibility of all IT related projects across the organisation.

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A further key VFM objective for 2019/20 was to make progress in information governance, including the creation of a new electronic filing system. This structure is being built for a sample of operational and business support cost centres in order to pilot the structure and the pilot group is currently being agreed.

An efficiency for Dimensions lies in the creation of a fully functional contracts database. Dimensions is a contractor and needs to be able to understand its business relationships and its clients' requirements with the minimum of effort and expense. This two-year project has been successful in its first year: the Group has successfully collated all contract data into one place online that can be accessed in a controlled way by colleagues that need the information. In 2019/20 we will move to procure a system to host this data through its Enterprise Resource Planning (ERP) as part of a wider Finance Transformation Project (FTP).

Dimensions (UK) Limited Governance Report

Dimensions' future plans for Value for Money

The Board's assessment of the 2019/20 VFM performance is that reasonable progress has been made despite another challenging year, with satisfactory achievement of most targets – as noted in the preceding text. Dimensions can build upon what has been achieved and has set itself a range of manageable strategic objectives, within its capacity, as part of its new five-year strategy, *'Better Lives for More People'*. As noted earlier in this Statement, however, the impact of the Covid-19 pandemic has required the Group to re-cast its objectives for the 2020-21 year and, put simply, impacts the Group's capacity to deliver on all that it aspired to achieve before the outbreak.

However, within the objectives that the Group can deliver, the key VFM priorities for 2020/21 are:

Quality - Better lives; impact for our sector

- To further embed Activate and iPlanit across Dimensions (UK) services.
- To introduce Activate and iPlanit across all Discovery services.
 - This activity is about being able to deliver the maximum impact from our sustained investment in our active support model.

Reputation - Valued by stakeholders; a Group that others want to work with

- To improve our management of operational compliance through introducing an online system.
 - By the end of 2020/21 we will be drawing reports from a new online compliance system, delivering efficiency in essential work and making better use of our resources.

Scale - Supporting more people; ability to invest and deliver economies

- To produce a Board-approved Housing Strategy that will support the implementation of Better Lives for More People.
 - Our current housing strategy ended with *Dimensions 2020*. Our new housing strategy will complement *Better Lives for More People* and describe our commitment and approach to management of – and investment in - Dimensions' assets.

Capacity - Capacity and capability to deliver where and when it matters

- To develop a Mergers & Acquisitions Plan
 - By the end of 2020/21 we will have a Board-approved plan that draws from lessons learnt and best practice that defines our criteria and our approach.
- To establish our Operating Model
 - By the end of 2020/21 we will have developed our understanding of and produced our Group Operating Model.

Sustainability - Sustainable for stakeholders; resilient in our environment

- To implement the Board's decision to provide services through DPS so that we can maximise the recovery of VAT
 - By the end of 2020/21 we will have recovered a minimum of £0.8m VAT.
- Delivery of our IT Strategy remains an overarching aim
 - By the end of 2020/21 MVP will have been piloted, reviewed and will be being used by all services within the Group.
 - By the end of 2020/21 we will have designed, developed and be using our new Enterprise Data Warehouse.
- To improve our financial controls & processes and to replace our critical business systems.
 - By the end of 2020/21 we will have a plan for the agile implementation of our Finance Transformation Project (FTP).
- In early June the Board endorsed a plan to mitigate the risks for each of the Supreme Court's potential decisions.

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Housing Assessment of Value for Money

The Value for Money Standard ("The Standard") requires that we demonstrate:

- a robust approach to achieving VFM including a robust approach to decision making and a rigorous appraisal of potential options for improving performance
- regular and appropriate consideration by the Board of potential VFM gains, including full consideration of costs and benefits of alternative commercial, organisational and delivery structures
- consideration of VFM across the whole business and - where there is investment in non-social housing activity – consideration of whether this generates returns
- appropriate targets for measuring performance in achieving value for money in delivering strategic objectives and monitoring of performance against these targets.

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 income collection, void loss and spend. The text that follows summarises the year's performance in this regard.

A robust approach to achieving VFM including a robust approach to decision making and a rigorous appraisal of potential options for improving performance

A VFM objective was to re-tender the maintenance call centre contract to enhance value for money to test the market for competitive cost with no loss of performance or customer service. Two pieces of work informed a decision to delay this piece until 2020 which, in of themselves, have a positive impact upon VFM. Firstly we have been working to re-design how maintenance calls are logged for efficiency - so that the external call centre can directly log repairs on our new system rather than forward bulk data that requires re-handling. Secondly, we incorporated maintenance services for our subsidiary, Discovery, within Dimensions' maintenance service, increasing number of calls taken by the call centre (from 3661 in 18/19 to 5057 in 19/20). This is an increase of 38% for the same cost which improves VFM.

A further key VFM objective for 2019/20 was to embed the Pyramid housing system as a tool for assurance on statutory compliance to enable Dimensions to achieve greater organisational efficiency in the management and monitoring of statutory compliance in the stock. The system now contains all properties that Dimensions has a relationship with; follow-up work through the first quarter of 2020/21 is adding certification and cyclical testing information.

Further, the installation of the Compliance Manager in Housing, an investment to save, has given an operational home to the work on the system and an 'owner' for the data and overview of compliance activity. Crucially this role supports the business with the pursuit and execution of actions arising from fire risk assessments (FRA) in properties owned by private landlords. An important aside has been some exploratory partnership working with the in-house Health & Safety Team around internalising the FRA property inspections and the use of handheld technology within the housing system to complete the forms for direct upload. A further investment to save, this could yield extra value for money in 2020/21.

Delivering Homes that Meet a Range of Needs

A key VFM objective for 2019/20 was to gain planning permission for planned developments (four key schemes that could deliver for people with complex needs) and to commence work on site, subject to variables outside of Group control.

Dimensions aimed to make use of retained RCGF (recycled housing grant monies) in delivering on this objective with some success:

- we have used grant to develop single person services in Telford and NHS grant to develop services in Saltdean;
- we have moved forward with the planning process for a practice-led hub at Bricket Wood and, whilst this was not successful at the first stage with the local authority, we are hopeful of gaining permission through the planning decision appeals process;
- we have progressed the development of a plan for a transition service at our Highgreave site in Sheffield and hope to have a decision early in the new financial year following completion of the

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consultation with the NHS and with Commissioners. To achieve VFM, this development will see Dimensions' capital invested alongside NHS grant;

- a planned development at Parrott Farm requires commissioner support to move forward and the decision has been taken to delay an application for planning permission until the support to bid for Grant and referral agreements are in place.

This work in investing in new homes has been complemented by the disposal of assets that are no longer needed to release grant for recycle and capital for further investment – in 2019 23 units in 5 properties.

Demonstrating Delivery of VFM to Stakeholders

The organisation engages with its tenants throughout the year in several ways. One way is through the annual Tenants' Report, which is produced in easy-read format and people that we support are supported to engage with its content. This allows the organisation to share with tenants how it has performed in relation to the Standards set by Homes England and the Regulator of Social Housing. The Housing Team also works in person with tenants through a series of Tenants Meetings. Four meetings were held in the year at which Dimensions engaged with its tenants to review a range of matters. This year, for example, tenants have been involved in saying how they want to be communicated with, reviewing communications and re-designing the tenants' newsletter.

Golden Thread to Governance

There are also two tenant representatives on the Dimensions Council. The Council exists to give a voice to Dimensions' tenants and the people supported and helps to guide the organisation. The Council has a direct line to the Group Board and so it is through this mechanism that our tenants' views are heard, alongside scrutiny of the Tenants' Report and regular housing metrics. Our tenants are also supported to go to a series of Group Listening Events through the year which are also attended by families and Board Members.

Assessing and Improving Quality

It is encouraging to report that five of our tenants are now trained 'Experts by Experience' (an increase on the preceding year). Our Experts are trained quality checkers for our provision who offer a unique resident insight into the quality of our homes and services. We are confident that this will have a positive impact upon VFM. The Experts take a keen interest in quality – in particular void specifications, void quality, planned maintenance and major repairs/improvements to property.

Tenant Satisfaction

Each year, a tenants' survey is conducted to understand how the landlord service is perceived and what tenants would like from the service in the future. This is a very important mechanism for engaging with tenants and for gaining an understanding of what can be improved. The survey produced challenging results compared with the preceding year. It is a challenge that we welcome as it accompanies a different response profile: more tenants completed the survey themselves (7% compared to 4% in each of the previous two years) and more were supported by relatives or friends to complete the survey (8.5% compared to 5% and 4% in the previous two years). One of our initiatives is to include Family Consultants, who are 'experts by experience' and strong advocates for families, in all of our tenants' meetings.

The key results were:

- 82% of people were happy with the service they receive from the Housing Team (23% very happy) compared with 2018/19: 90% happy (30% very happy);
- 68% were happy that their views are listened to (21% very happy) - 2018/19: 77% happy, 21% very happy;
- 74% were happy with the repairs service (20% very happy) - 2018/19: 75% happy, 23% very happy;
- Most importantly, on the question of value for money, 74% were happy with their home and services compared to their rent (23% very happy) 2018/19: 77% happy (24%: very happy).

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Newer tenants are less satisfied overall and we note that they are more likely to be living in private rented accommodation rather than Dimensions-owned accommodation. It is noteworthy that none of the negative verbatim responses about maintenance were from people who live in Dimensions-maintained properties; they were about maintenance services in properties owned by other landlords or about requests for property improvements (major works). Our challenge for 2020/21 is to change this: our teams are working with those private landlords to improve the service they provide, including carrying out the repairs ourselves and recharging those landlords to deliver better VFM.

All negative verbatim responses are followed up individually by our Regional Housing Advisors, a feature of the annual survey which is popular with the people we support. A number of these responses were around people not being happy with where they are living. Our Housing Brokers have managed to find alternative accommodation for some of these tenants and have started searches for others.

Consideration of VFM across the whole business and - where there is investment in non-social housing activity – consideration of whether this generates returns

Another key VFM objective was to carry out a review of the Brokerage service following a pilot around expanding the offer to improve access to Social Housing. Housing brokerage is a bespoke service that assesses the needs of the individual and then finds them a home that matches their needs, giving the individual independence and choice, and thereby improving their quality of life. Promoting people's independence in this way also leads to reductions in support costs for commissioning authorities. We want the use of social housing owned by other Registered Providers to be better embedded as part of the toolkit offered by the Brokerage Service and to widen the network of private landlords with which we work.

This review has been carried out and it was concluded that the brokerage provides good value for money for Dimensions for two key reasons:

- The Brokers sourced the housing element for contracts worth £1.6m of retained business, identifying alternative accommodation for 25 people so that their living environment improved.
- The Brokers successfully identified new homes for 8 people, securing new business for Dimensions with a surplus that supports the viability of the Group.

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Metrics

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:

	Bud 20/21	2019/20	2018/19 Restated	2017/18	Peers - SH
Metric 1 - Reinvestment %	6.22%	6.68%	1.29%	2.36%	6.4%
Metric 2 - New Supply Delivered %					
A - Social Housing	0.9%	0.9%	0%	0%	1.7%
B - Non-Social Housing	0%	0%	0%	9%	0.3%
Metric 3 - Gearing %	0%	0%	0%	0%	46.7%
Metric 4 - EBITDA MRI Interest Cover %	1464%	1078%	1166%	595%	153%
Metric 5 - Headline Social Housing Cost Per Unit	33,072	32,241	30,932	12,455	4,120
Metric 6 - Operating Margin %					
A - Social Housing Lettings Only	6%	8%	9%	19%	30.5%
B - Overall	2%	2%	2%	2%	25.0%
Metric 7 - ROCE %	9%	8%	7%	9%	3.6%
Housing Related Only					
Metric 5 - Headline Social Housing Cost Per Unit	6,350	6,546	6,225	5,148	4,120

Note: Metric 3 and 4 are affected as Dimensions has no debt. Metric 5 includes social care contracts delivered in homes. The adjusted metric 5 excluding the care element is included at the bottom of the table.

For Peer comparators, we have used the supported housing specialist (peers – SH) category from Global Accounts.

Social Housing Cost per Unit – In common with other Social Housing specialists, Dimensions expects a higher cost per unit as the costs include support provided in the homes that we own. The Global Accounts VFM narrative indicates that social housing specialists on average provide care in 30% of homes owned. In Dimensions we provide support in closer to 65% of homes owned with the average cost of a care package in these homes at £55,000 and so we expect the higher than average cost per unit. Dimensions' strategy of supporting people with more complex needs increases the level of adaptation that the Group implements, as well repairs to property damage. Excluding the cost of care the cost per unit is **£6,546** (Peers- all providers <2500: £4,880).

We have worked to understand where our costs are high in order that they may be addressed and have noted, through comparison with other providers, that properties that are home to people with a learning disability or autism generate a much higher volume of responsive repairs than for other client groups. Dimensions' work to end managing arrangements with other landlords, bringing its stock back into its own management has also generated a need for repairs and investment as our level of oversight has improved. The dispersed nature and small volume of Dimensions' stock, however, means that its contracts are not attractive to large repairs and maintenance contractors and increases our reliance upon smaller companies.

Our cost per unit excluding care, increased compared to previous year in part due to reduced number of units but was higher than budgeted for the year. The overspend to budget was, as noted above, in part due to higher volume of activity but also impacted by considerable costs resulting from Fire Risk Assessments and other statutory compliance elements being carried out to higher requirements. This is

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common across the sector. We are anticipating continued investment in adaptation and compliance works in 2020/21. This investment is finite and will improve the safety and comfort of our tenants. We do not anticipate significant reduction in cost per unit through 2020/21 as a result of this investment but do project reduction in the years that follow.

The Group has a continuing objective to novate or end management and lease arrangements that do not support delivery of value for money and has a project in progress to support this which will end in 2020/21.

Reinvestment and New Supply Delivered – Having acquired Development Partner status we plan to redevelop new sites, the most significant being nine new units at Bricket Wood and four at Highgreave.

The Regional Asset Management Panels continue to review the use of each asset and to make recommendations on assets for sale, refurbishment and development. The Group has a ranked list of sites that, through 2020/21, 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.

Gearing and EBITDA MRI – Although we have a £10m loan facility, there is no draw-down. Typically, supported housing specialist have lower gearing (peers in supported housing report an average gearing ratio of 46.7%).

Operating Margin – Both the 8% social housing and 2% organisation margin are reasonable compared to the supported housing specialists, considering the high level of support provided in Dimensions' homes and the number of leased properties in our stock.

Overall, void levels have increased in 2019/20 from 51 (7.6%) void rooms as at 31.3.19 to 56 (8.2%) as at 31.3.20. These are snapshot figures – the number vary through the year. There are several factors that affect our void numbers but the key examples are that we have an ageing tenant profile and the availability of support contracts, or a reduction in support hours, impacts our ability to fill voids. However, the void rent loss is, in many cases, covered by other support providers or by nominations agreements. The Group has an active asset disposal programme targeting those that are no longer of use to Dimensions and uses its Housing Brokers to facilitate transfers of accommodation for people we support who need a change of environment. During 2019/20 we disposed of 23 void rooms in 5 properties.

Housing Income - The housing business stream (all income related to property) totals £9.8m – approximately 5% of the Group's turnover – and is budgeted to deliver a surplus of £0.626m – 6.4% of its total revenue. This is significant for two key reasons:

- It is higher – proportionately – than that for care and support (6% for housing versus 2.3% for care and support);
- It makes up a large portion of the Group surplus (12%).

The Group needs to be able to demonstrate viability at a total entity level but also show due diligence in its treatment of the respective streams. Housing shows viability across its tenure types with varying strength. Where properties are owned and managed by the Group there is great efficiency and a surplus of 12.9% is returned (favourably comparable to sector benchmarking). This diminishes to 3% where property is owned by the Group and managed by other organisations (although the repatriation of our stock means that only 36 units are in this category). By contrast, a 2% surplus is returned where Dimensions manages others' property and we are to examine our managing agent agreements in 2020/21 to make this stream stronger.

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ROCE – The high ROCE reflects the different nature of our business, lower capital employed being the main driver.

Appropriate targets in place for measuring performance in achieving value for money in delivering strategic objectives and monitoring of performance against these targets.

The priorities for the housing function in 2020/21 are as follows:

- To determine the feasibility of the Bricket Wood development
 - we will have a Stop / Go Board decision on the progression of the scheme.
- To enhance the Group's capability in measuring and reporting on the social value we add.
 - we will have determined our social value reporting methodology in line with the Social Value Act.
 - we will be reporting on the positive impacts the Group delivers on the lives of people we support, other stakeholders and society generally.
- To enhance our approach to keeping people safe and building their independence through an increased use of assistive technology.
 - we will have published Phase 1 of our assistive technology organisational standards [Phase 1 - safety.]
 - all services will be complying with the phase one organisational standards
 - we will have published Phase 2 of our organisational standards. [Phase 2 – using assistive technology to maximise communication, independence, choice and control]
- Review the service chargeable activities and management arrangements for all buildings and dwellings that Dimensions uses but does not own (an activity held over from 2019/20);
 - We are better assured that our tenants and people we support receive VFM. The service charge business stream realises enough income to cover the totality of its costs and makes a permissible surplus.
- Re-tender the maintenance call centre contract, following the inclusion of Discovery repairs;
 - We achieve enhanced value for money as part of the re-procurement with no loss of performance or customer service.
- To further populate the Pyramid system, enhancing the property component and compliance data that it holds.
 - Pyramid will feature all compliance and property components for all properties that Dimensions has a relationship with.
- Investment in a dedicated Finance Business Partner for Housing to increase capacity to proactively managed the housing revenue and capital streams.
 - Housing Finance Business Partner will be appointed.

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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.

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.

Internal Controls Assurance Framework

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. The framework adopted by the Group comprises:

- oversight through the Board and Committee structure and safeguarding panels,
- internal controls and procedures embedded in Group policies,
- 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.

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 2018/19 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.

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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.

Board members' interest in shares

Each elected member of the Board who held office at 31 March 2020 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.

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.

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 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.

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Governance Report**

Meetings of the Board

The Board met seven 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	Development Committee	Non-Executive Director (NED) Pay 2019/20
Number of meetings >	7	4	4	5	4	3	0	£'000
Nick Baldwin CBE (Chair)	7/7	-	3/4	4/5	-	3/3	-	18
Anne Barnard (Vice Chair)*	7/7	4/4	-	5/5	-	-	-	13
Calum Mercer*	6/7	3/3	-	5/5	-	3/3	0/0	11
Christine Cryne*	5/7	-	-	-	4/4	-	0/0	11
Delyth Lloyd Evans*	7/7	-	-	-	-	-	0/0	11
Gordon Lyle*	7/7	4/4	4/4	-	-	3/3	-	13
Kevin Lewis	7/7	-	4/4	-	4/4	-	-	9
Nick Turner**	0/2	2/2	-	-	-	-	-	4.5
Sherry Malik	4/7	-	-	-	3/4	-	-	9
Steve Scown	7/7	-	-	-	-	-	-	-
Shain Wells (co-optee)	5/7	-	-	-	4/4	-	-	5

*receives additional payment of £3k per year for each Committee or subsidiary they chair, effective August 2019 (this does not apply to the Chair of the DPS Board)

**Resigned September 2019

Dimensions (UK) Limited Governance Report

Group Audit and Risk Committee – The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee was chaired by Nick Turner until 24th July 2019 and was replaced by Calum Mercer. Following the governance review in 2019 the Committee changed its name from 'Group Audit' to 'Group Audit & Risk' and its remit and scope was widened to provide assurance to the Group Board on performance for all services provided by the Dimensions Group, ensuring that legal, regulatory and performance requirements are met. It takes a corporate overview of the assurance framework across the Group, overseeing the systems of internal control and risk management, financial reporting, compliance with regulatory requirements, fraud prevention and anti-bribery measures, and whistleblowing, ensuring that these are effective and well managed and that the external and internal audit functions are operating robustly. This includes responsibility for the oversight of performance of the compliance areas of health and safety, insurance and procurement.

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.

Finance and Resources Committee – The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee was chaired by Calum Mercer until 14th May 2019 and was replaced by Anne Barnard. Following the governance review in 2019 the Committee's terms of reference were reviewed and its purpose is to gain assurance on the ability of the Dimensions Group to achieve its 2020-2025 strategy primarily in relation to the Sustainability pillar through review and assessment of the financial performance and use of resources of Dimensions and its subsidiaries. This will include consideration of performance in housing management and development and the effectiveness of the Group's IT and other business systems against the relevant strategy.

Development Committee – The Committee meets only when required as a task and finish group to review performance against agreed plans and give first consideration to any significant business propositions/decisions. It also has oversight of any potential partnership working activities. It consists of at least three non-executive directors, two of whom constitute a quorum.

Quality and Practice Committee – The Committee consists of at least four members including two non-executive directors and 1 or co-optees (family and expert by experience representatives). Two committee members including one Group Board Member constitute a quorum. The Committee was chaired by Christine Cryne until 31st March 2020 and was replaced by Sherry. The purpose of the Committee is to provide scrutiny and challenge with regards to all aspects of quality, and safety, including strategy, practice delivery, and audit across the Group, to ensure that people are supported to have great, safe lives in their communities.

Remuneration & Nominations 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 is chaired by Gordon Lyle during the year. Following the governance review in 2019 the remit of the Committee was widened and its purpose is to recommend a framework for the remuneration and performance of the Group Executive Team and to recommend appropriate alterations to Group Executive Team salaries on an annual basis and to be responsible for non-executive appointments across the Group, including pay, recruitment, succession and a performance review process.

The Boards of Waymarks Limited, Outreach 3-Way and Dimensions Somerset SEV Limited (trading as "Discovery") each met at least six times in the year.

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 Quality Reviewers 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 & Risk 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 9 instances (2019: 13) of fraud with an aggregate unrecovered value of £67,000 (2019: £9,000). 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.

The Board also considers the risks relating to bribery and adequate procedures and policies are in place to prevent this.

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.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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,
- 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 2019. It is responsible for 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, and 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 15 July 2020 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
(continued)

Opinion

We have audited the financial statements of Dimensions (UK) Ltd ("the association") for the year ended 31 March 2020 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 2020 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 2019.

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

The association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the association or to cease their operations, and as they have concluded that the group and the association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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. In our evaluation of the Board's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and association's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the association will continue in operation.

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

Board's responsibilities

As more fully explained in their statement set out on page 27, 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
66 Queen Square
Bristol
BS1 4BE

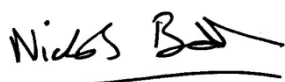
17 July 2020

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

	Notes	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	2,3	201,810	196,728	147,696	146,042
Operating costs		(198,083)	(193,043)	(144,926)	(144,321)
Operating surplus	3	3,727	3,685	2,770	1,721
(Gain)/loss on disposal of fixed assets	7	426	(129)	342	(125)
Interest receivable and similar income	8	45	41	57	53
Interest payable and similar charges	9	(300)	(348)	(300)	(348)
Surplus for the year	10	3,898	3,249	2,869	1,301
Initial recognition of multi-employer defined benefit scheme		-	(3,374)	-	(3,374)
Actuarial gain in respect of pension schemes		1,700	1,108	1,700	1,108
Total comprehensive income/(expenditure) for the year		5,598	983	4,569	(965)

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 15 July 2020 and were signed on its behalf by:



Nick Baldwin CBE
Chair



Anne Barnard
Vice Chair



Jackie Fletcher
Secretary

Dimensions (UK) Limited
Association Statement of Changes in Equity
As at 31 March 2020

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 1 April 2018		19,849	793	20,642
Total comprehensive income for the year		983	-	983
Transfer of restricted expenditure to unrestricted reserve		(12)	12	-
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	20,21	20,820	805	21,625
Total comprehensive income for the year		5,598	-	5,598
Transfer of restricted expenditure to unrestricted reserve		30	(30)	-
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2020		26,448	775	27,223
		<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited
Consolidated Statement of Changes in Equity
for the year ended 31 March 2020

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 1 April 2018		15,212	784	15,996
Total comprehensive income for the year		(965)	-	(965)
Decrease support in subsidiary		193	-	193
Transfer of restricted expenditure to unrestricted reserve		6	(6)	-
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	20,21	14,446	778	15,224
		<hr/>	<hr/>	<hr/>
Total comprehensive expenditure for the year		4,569	-	4,569
Transfer of restricted expenditure to unrestricted reserve		6	(6)	-
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	20,21	19,021	772	19,793
		<hr/>	<hr/>	<hr/>

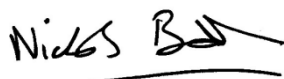
The accompanying notes form part of these financial statements.

Dimensions (UK) Limited Contents

	Notes	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed Assets					
Housing properties – cost less depreciation	13	25,115	25,083	25,115	25,083
Other fixed assets	14	4,369	4,799	1,376	1,602
		<u>29,484</u>	<u>29,882</u>	<u>26,491</u>	<u>26,685</u>
Current assets					
Debtors	15	29,350	22,058	27,937	20,164
Cash at bank and in hand		19,223	23,039	7,257	11,848
		<u>48,573</u>	<u>45,097</u>	<u>35,194</u>	<u>32,012</u>
Creditors: amounts due within one year	16	(24,904)	(25,477)	(16,056)	(15,750)
		<u>23,669</u>	<u>19,620</u>	<u>19,138</u>	<u>16,262</u>
Net current assets					
		<u>53,153</u>	<u>49,502</u>	<u>45,629</u>	<u>42,947</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	18	(19,289)	(18,600)	(19,289)	(18,600)
Pension liability	25	(5,549)	(7,777)	(5,549)	(7,777)
Provision for liabilities	33	(1,092)	(1,500)	(998)	(1,346)
		<u>27,223</u>	<u>21,625</u>	<u>19,793</u>	<u>15,224</u>
Total net assets					
Capital and reserves					
Non – equity share capital	19	-	-	-	-
Restricted reserves	20	775	805	772	778
Income and expenditure account	21	26,448	20,820	19,021	14,446
		<u>27,223</u>	<u>21,625</u>	<u>19,793</u>	<u>15,224</u>
Total capital and reserves					

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 15 July 2020 and were signed on its behalf by:



Nick Baldwin CBE
Chair



Anne Barnard
Board Member



Jackie Fletcher
Secretary

Dimensions (UK) Limited
Consolidated Statement of Cash Flows
for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Net cash (outflow)/inflow from operating activities	26	(3,821)	3,730
Investing activities			
Interest received	8	45	41
Payments to acquire other tangible fixed assets	14	(412)	(51)
Payments to acquire and/or construct housing properties and/or their components	13	(1,302)	(2,340)
Receipts from sale of housing properties		1,185	3
Receipts from sale of other tangible fixed assets		437	7
Government grants received		150	1,257
Government grants repaid		-	-
Net cash outflow from investing activities		103	(1,083)
Financing activities			
Interest paid		(98)	(268)
Net cash outflow from financing activities		(98)	(268)
Increase/(decrease) in cash and cash equivalents	27	(3,816)	2,379
Cash and cash equivalents at 1 April		23,039	20,660
Cash and cash equivalents at 31 March	28	19,223	23,039

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

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.

Three of the subsidiaries of the Parent, Outreach 3 Way, Waymarks Limited and Dimensions Somerset SEV Limited (trading as "Discovery"), are charitable companies limited by guarantee. The fourth subsidiary, Dimensions Personalised Support Limited is a profit making company that gift aids its profits back to the Parent organisation.

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 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019 ("the Direction").

These financial statements have been prepared on a historical cost basis and are presented in Sterling (£). All amounts in the financial statements have been rounded to the nearest £1,000.

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 and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group has a 2025 strategy which was approved in Autumn 2019 by the Board. As well as considering the impact of a number of scenarios on the strategy, the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst-case assessment.

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

The board, after reviewing the group and association budgets for 2020/21 and the group's medium term financial position as detailed in the 2025 strategy including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised credit facilities of £29m which gives significant headroom for committed spend and other forecast cash flows that arise;
- The group's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

Consequently, the Directors are confident that the Group and Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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")
- Dimensions Personalised Support Limited
- Dimensions Cymru Limited (dormant company)

All subsidiaries are charitable companies limited by guarantee with the exception of Dimensions Personalised Support which is a trading subsidiary.

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 2020

2 Accounting policies (continued)

Turnover and revenue recognition

Group turnover represents care charges and grants receivable from the Department of Health & Social Care 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 2020

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 2020 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 £76k were released this year (2019: £41k charge).

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 £519k (2019: £258k).

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 £310k (2019: £371k) 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, 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 2020 amounted to £736k (2019: £704k) for the Group.

Provision for subsidiary

A provision for the deficits in Waymarks Limited is made in the books of the Parent as Waymarks will not be generating surpluses to pay back the amounts owed to the Parent. The provision made at 31 March 2020 was £535k (2019: £535k).

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

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 2020 was £13,407k (2019: £13,880k).

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 2020 was £5,549k (2019: £7,777k).

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.

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

2 Accounting policies (continued)

Employee Benefits

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

Housing properties

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

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

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 2020

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 2020

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 FRS102 from reporting related party transactions with its fellow Group undertakings.

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

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. 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.

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 also able to identify its share of the underlying assets and liabilities of these schemes and the pension costs relating to the schemes are also accounted for in accordance with the full requirements of FRS 102.

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 2025. As at 31 March 2020 the Group had available £10m (2019: £10m) 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 £1,158k (2019: £1,141k) 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 2020

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

GROUP	Turnover £'000	2020	Operating surplus £'000	Turnover £'000	2019	Operating surplus £'000
		Operating costs £'000			Operating costs £'000	
Social housing lettings (note 4(a))	9,519	(8,204)	1,315	9,365	(7,805)	1,560
Other social housing activities:						
Charges for support services (note 4(b))	192,291	(189,879)	2,412	187,363	(185,238)	2,125
Sub-total	201,810	(198,083)	3,727	196,728	(193,043)	3,685
Non-social housing activities	-	-	-	-	-	-
Total	201,810	(198,083)	3,727	196,728	(193,043)	3,685
PARENT	Turnover £'000	2020	Operating surplus £'000	Turnover £'000	2019	Operating surplus £'000
		Operating costs £'000			Operating costs £'000	
Social housing lettings (note 4(a))	9,519	(7,969)	1,550	9,365	(7,845)	1,520
Other social housing activities:						
Charges for support services (note 4(b))	138,177	(136,957)	1,220	136,677	(136,476)	201
Sub-total	147,696	(144,926)	2,770	146,042	(144,321)	1,721
Non-social housing activities	-	-	-	-	-	-
Total	147,696	(144,926)	2,770	146,042	(144,321)	1,721

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

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

	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income				
Rents receivable*	5,070	5,075	5,070	5,075
Service income	3,408	3,149	3,408	3,149
Government grants taken to income	403	415	403	415
Charges to Managing Agents	638	726	638	726
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from social housing lettings	9,519	9,365	9,519	9,365
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Management	1,432	930	1,669	934
Services	1,932	2,204	1,932	2,205
Routine maintenance	1,436	791	964	826
Planned maintenance	104	187	104	187
Major repairs expenditure	97	205	97	205
Payments to agents	2,551	2,724	2,551	2,724
Depreciation of housing properties	728	723	728	723
Release of impairment provision	(76)	41	(76)	41
	<hr/>	<hr/>	<hr/>	<hr/>
Operating costs on social housing lettings	8,204	7,805	7,969	7,845
	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus from lettings	1,315	1,560	1,550	1,520
	<hr/>	<hr/>	<hr/>	<hr/>

*Rents receivable are stated after deducting £528,000 (2019: £417,000) for void losses.

All income and expenditure relates to supported housing and housing for people with learning disabilities and autism. Under new housing strategy all owned properties transferred into Dimensions housing management this year. 2019 figures have also been restated to reflect this.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

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

	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Grants	182,772	174,568	133,241	130,580
Charges for support services	3,148	3,175	1,191	1,254
Supporting People	1,433	2,034	1,431	2,034
Other	4,938	7,586	2,314	2,809
Total income from social care	192,291	187,363	138,177	136,677
Expenditure on social care				
Management	183,762	177,854	133,400	132,982
Services	5,034	5,124	2,978	2,753
Maintenance	594	1,496	68	190
Depreciation	600	645	511	551
Impairment	(111)	119	-	-
Total expenditure on social care	189,879	185,238	136,957	136,476
Operating deficit on social care	2,412	2,125	1,220	201

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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Non-executive directors	104	102	104	102
Executive staff members	918	974	817	792
	<u>1,022</u>	<u>1,076</u>	<u>921</u>	<u>894</u>
Compensation for loss of office	<u>112</u>	<u>-</u>	<u>112</u>	<u>-</u>

No retirement benefits are accrued under defined benefit schemes.

The Group Finance Director, who left the organisation in September 2019, was the highest paid employee during the year (Chief Executive Officer was the highest paid in 2019)

The emoluments payable to the Group Finance Director (2019: Chief Executive Officer) (excluding pension contributions but including benefits in kind and compensation for loss of office) were:

	£'000	£'000	£'000	£'000
Emoluments	<u>176</u>	<u>160</u>	<u>176</u>	<u>160</u>

The pension contributions paid by the organisation for the Group Finance Director were £7k (2019: £13k paid for the Chief Executive Officer)

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

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	
	2020 No.	2019 No.	2020 No.	2019 No.
Care staff	6,494	6,344	5,249	5,027
Administration	512	470	410	388
	<u>7,006</u>	<u>6,814</u>	<u>5,659</u>	<u>5,415</u>

Full Time Equivalent	GROUP		PARENT	
	2020 No.	2019 No.	2020 No.	2019 No.
Care staff	4,984	4,896	4,048	3,905
Administration	420	377	334	312
	<u>5,404</u>	<u>5,273</u>	<u>4,382</u>	<u>4,217</u>

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

	GROUP		PARENT	
	2020 No.	2019 No.	2020 No.	2019 No.
£60,000 to £69,999	23	18	20	14
£70,000 to £79,999	6	5	3	3
£80,000 to £89,999	3	4	3	4
£90,000 to £99,999	3	2	3	2
£100,000 to £109,999	2	1	1	-
£110,000 to £119,999	1	3	1	3
£120,000 to £129,999	3	1	3	1
£130,000 to £139,999	-	1	-	1
£150,000 to £159,999	-	-	-	-
£160,000 to £169,999	-	1	-	1
£170,000 to £179,999	1	1	1	1
£180,000 to £189,999	1	-	1	-

Staff costs	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	131,622	126,984	106,751	100,612
Social security costs	10,231	9,916	8,354	7,984
Pension costs	5,368	6,117	3,244	2,788
	<u>147,221</u>	<u>143,017</u>	<u>118,349</u>	<u>111,384</u>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

7	Surplus on disposal of fixed assets	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Net proceeds from disposal of housing properties	393	88	393	88
	Cost of sales	(2)	(152)	(2)	(152)
	Incidental selling costs	-	(11)	-	(11)
	Surplus /(deficit) on disposal of housing properties	391	(75)	391	(75)
	Deficit on replacement of housing components	(49)	(50)	(49)	(50)
	Surplus /(deficit) on disposal of other fixed assets	84	(4)	-	-
	Surplus/(deficit) for the year	426	(129)	342	(125)
8	Interest receivable and similar income	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Bank interest	45	41	45	41
	Intercompany Loan Interest	-	-	12	12
		45	41	57	53
9	Interest payable and similar charges	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Finance cost on pension scheme	202	250	202	250
	Bank loans	98	98	98	98
		300	348	300	348

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

10 Surplus for the year	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
The surplus for the year is stated after charging/(crediting):				
Depreciation and impairment:				
Housing properties	728	723	728	723
Impairment of housing properties	(76)	41	(76)	41
Other fixed assets	600	645	511	551
Impairment of other fixed assets	(111)	119	-	-
Auditor's remuneration:				
Audit	81	75	75	65
Operating leases rental	4,998	6,224	4,686	4,581

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, Dimensions Personalised Support 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 four 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 except Dimensions Personalised Support Limited, 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:

	2020 £'000	2019 £'000
Outreach 3 Way	701	658
Waymarks Limited	296	350
Dimensions Somerset SEV Limited (trading as "Discovery")	2,314	2,176

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

13	Housing properties GROUP & PARENT	Housing properties available for letting £'000
	Cost	
	At 1 April 2019	34,991
	Additions	1,302
	Disposals	(1,011)
		35,282
	Depreciation and impairment	
	At 1 April 2019	9,908
	Depreciation charged during the year	728
	Impairment	(76)
	Disposals	(393)
		10,167
	Net book value	
	At 31 March 2020	25,115
	Net book value	
	At 31 March 2019	25,083

	2020	2019
	£'000	£'000
Housing property costs comprise:		
Freeholds	28,911	29,039
Long leaseholds	4,679	4,262
Short leaseholds	1,692	1,690
	35,282	34,991
	35,282	34,991

Expenditure on works to existing properties comprise the following:	£'000	£'000
Components capitalised	519	258
Amounts charged to the income and expenditure account	97	205
	616	463
	616	463

Impairment

Impairment of £76,000 was released (2019: £41,000 charged) 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 2020

14 **Tangible fixed assets**

a) Other fixed assets GROUP	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost				
At 1 April 2019	4,477	4,034	260	8,771
Additions	116	261	35	412
Disposals	(443)	(1,103)	(28)	(1,574)
At 31 March 2020	4,150	3,192	267	7,609
Depreciation				
At 1 April 2019	1,048	2,768	156	3,972
Charged during the year	60	517	23	600
Impairment	(111)	-	-	(111)
Disposals	(88)	(1,102)	(31)	(1,221)
At 31 March 2020	909	2,183	148	3,240
Net book value				
At 31 March 2020	3,241	1,009	119	4,369
Net book value				
At 31 March 2019	3,429	1,266	104	4,799
b) Other fixed assets PARENT	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost				
At 1 April 2019	434	3,867	202	4,503
Additions	-	247	38	285
Disposals	-	(1,102)	-	(1,102)
At 31 March 2020	434	3,012	240	3,686
Depreciation				
At 1 April 2019	76	2,723	102	2,901
Charge for year	6	483	22	511
Disposals	-	(1,102)	-	(1,102)
At 31 March 2020	82	2,104	124	2,310
Net book value				
At 31 March 2020	352	908	116	1,376
Net book value				
At 31 March 2019	358	1,144	100	1,602

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

15	Debtors	GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Due within one year				
	Rent and service charges receivable	463	591	440	573
	Less: provision for bad and doubtful debts	(53)	(58)	(53)	(57)
		<hr/>	<hr/>	<hr/>	<hr/>
		410	533	387	516
	Trade debtors	21,024	16,412	15,341	12,905
	Other debtors	130	19	93	12
	Prepayments and accrued income	7,786	5,094	7,010	4,842
	Amounts owed by subsidiaries	-	-	3,277	379
		<hr/>	<hr/>	<hr/>	<hr/>
		29,350	22,058	26,108	18,654
	Due after more than one year				
	Amounts owed by subsidiaries	-	-	1,829	1,510
		<hr/>	<hr/>	<hr/>	<hr/>
		29,350	22,058	27,937	20,164
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
16	Creditors: amounts falling due within one year				
		GROUP		PARENT	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Trade creditors	2,863	2,872	2,257	2,442
	Rent paid in advance	74	68	74	66
	Social housing grant received	403	415	403	415
	Other creditors	832	890	716	738
	Taxation and social security costs	4,118	3,003	2,492	2,367
	Accruals and deferred income	15,041	16,528	8,541	8,021
	Recycled capital grant fund (note 17)	1,573	1,701	1,573	1,701
		<hr/>	<hr/>	<hr/>	<hr/>
		24,904	25,477	16,056	15,750
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

17 Recycled capital grant fund

	GROUP		PARENT	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At 1 April	2,142	2,251	2,142	2,251
Grants recycled	792	26	792	26
Interest accrued	17	15	17	15
Withdrawals	(265)	(150)	(265)	(150)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March	2,686	2,142	2,686	2,142
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amount due for repayment to Homes England	1,573	1,701	1,573	1,701
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18 Creditors: amounts falling due after more than one year

	GROUP		PARENT	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Social housing grant received	18,175	18,159	18,175	18,159
Recycled capital grant fund (note 17)	1,114	441	1,114	441
	<hr/>	<hr/>	<hr/>	<hr/>
	19,289	18,600	19,289	18,600
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	GROUP		PARENT	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
In one year or less (note 16)	1,573	1,701	1,573	1,701
Between one and two years	293	124	293	124
Between two and five years	820	317	820	317
	<hr/>	<hr/>	<hr/>	<hr/>
	2,686	2,142	2,686	2,142
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

19	Non-equity share capital	PARENT	
		2020 £	2019 £
	Allotted, issued and fully paid		
	Ordinary shares of £1 each at 1 April	9	9
	New shares	-	1
	Cancellations	(1)	(1)
		<hr/>	<hr/>
	Ordinary shares of £1 each at 31 March	8	9
		<hr/> <hr/>	<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.

20	Restricted reserves	Transfer (to)/from income and expenditure account		
		At 1 April 2019 £'000	£'000	At 31 March 2020 £'000
	Amenity Fund for respite care	5	-	5
	Reserve related to Hollow Lane	410	-	410
	Assets tied to autism related service	358	(6)	352
	Reserves related to restricted funds	-	-	-
	White Cliffs sensory garden	5	-	5
		<hr/>	<hr/>	<hr/>
	PARENT	778	(6)	772
	Reserve related to O3W	27	(24)	3
		<hr/>	<hr/>	<hr/>
	GROUP	805	(30)	775
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

21 Income and expenditure account

	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Balance brought forward	20,820	19,849	14,446	15,212
Surplus for the year	3,898	3,249	2,869	1,301
Reduction in support to subsidiary	-	-	-	193
Transfers (to)/from restricted reserves (note 20)	30	(12)	6	6
Initial recognition of multi-employer defined benefit scheme	-	(3,374)	-	(3,374)
Actuarial gain on pension schemes	1,700	1,108	1,700	1,108
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	26,448	20,820	19,021	14,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Income and expenditure account excluding pension liability	31,997	28,597	24,570	22,223
Pension liability	(5,549)	(7,777)	(5,549)	(7,777)
	<hr/>	<hr/>	<hr/>	<hr/>
Income and expenditure account after including pensions liability	26,448	20,820	19,021	14,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22 Financial commitments

There were no capital commitments as at 31 March 2020 (2019: £nil).

23 Operating lease commitments

At 31 March 2020 the Group had total commitments under operating leases as follows:

	Land & buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due in:				
Less than one year	2,495	2,613	556	703
Between two and five years	5,779	6,325	546	864
Over five years	5,776	7,326	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,050	16,264	1,102	1,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

24 Social Housing Units / Bed Spaces

	2020 Number	2019 Number
Under management at the end of the year:		
Agency managed	207	236
Directly managed	718	585
	<hr/>	<hr/>
	925	821
	<hr/> <hr/>	<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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Social Housing Pension Scheme - defined benefit liability	3,411	5,322	3,411	5,322
Royal County of Berkshire Pension Fund	2,138	2,455	2,138	2,455
	<hr/>	<hr/>	<hr/>	<hr/>
	5,549	7,777	5,549	7,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The People's Pension – auto enrolment scheme

The People's Pension is the qualifying workplace pension scheme used by Dimensions for auto-enrolment. The employer's contribution is currently 3% Employee's contributed 5%. The total charge to the Group for the year was £1,727,000 (2019: £1,067,000).

As at 31 March 2020, 5,604 employees (2019: 5,359) were enrolled in the scheme.

The People's Pension – manager's scheme (replaced Standard Life scheme)

Group employees at the level of Locality Manager and above have access to a People's Pension scheme where 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 £548,000 (2019: £505,000) (including payments to the superseded Standard Life scheme).

As at 31 March 2020, 284 employees (2019: 308 Standard Life scheme) were members of the People's Pension manager's scheme.

Dimensions (UK) Limited

Notes to the Financial Statements for the year ended 31 March 2020

25 Pension liability (continued)

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 2020, 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 12.5%. The total charge to the Group for the year was £931,000 (2019: £1,042,000). As at 31 March 2020, 362 employees (2019: 412) 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 2020, 31 employees (2019: 35) were members of SHPS.

Historically The Pensions Trust (TPT), who administers SHPS, was unable to provide sufficient information for the Dimensions share of SHPS to allow defined benefit (DB) accounting to be applied. Instead, in accordance with FRS 102, Dimensions accounted for SHPS as a defined contribution (DC) scheme and recognised a liability for the present value of the Dimension's deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information is now available for SHPS to mean that DB accounting must be applied. This change took place in the 2019 accounts.

The TPT valuation for the current year is a defined liability of £3,411,000 (2019: £5,322,000 liability) which resulted in an actuarial gain of £1,298,000.

Dimensions has provided for this by holding a provision calculated under the accounting rules set out in FRS102.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 Pension liability (continued)

The deficit funding agreement remains in place. The additional costs that Dimensions has to fund for the past deficits identified are £739,000 (2019: £681,000).

The total charge to Dimensions for the year in respect of current service was £77,000 (2019: £82,000).

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.

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 2020 showed that the actuarial value of the scheme's assets does not cover the accrued liabilities based on estimated fund pensionable salaries at retirement to the extent of £2,138,000 (2019: £2,455,000). Dimensions has provided for this by holding a provision calculated under the accounting rules set out in FRS102.

During the year ended 31 March 2020, the employer's rate of contribution was paid at the rate recommended by the Actuary of 22.7%. The employees' contributions ranged between 2.25% and 12.5%. The contribution paid by Dimensions during the year was £25,000 (2019: £22,000). At 31 March 2020, 6 employees (2019: 6) 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.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 **Pension liability (continued)**

Somerset County Council Pension Fund

Dimensions Group participates in a 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 2020, the employer's rate of contribution was paid at the rate recommended by the Actuary of 18.1%. The employees' contributions ranged between 2.25% and 12.5%. The total charge to the Group for the year was £1,614,000 (2019: £2,440,000). As at 31 March 2020, 525 employees (2019: 819) were members of the Somerset County Council Pension Fund.

Barnsley Pension Fund

Dimensions participates in a defined benefit statutory scheme, the Barnsley Pension Fund, which is 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 2020, the employer's rate of contribution was paid at the rate recommended by the Actuary of 19.5%. The employees' contributions ranged between 2.25% and 12.5%. The total charge to the Group for the year was £100,000 (2019: £108,000). As at 31 March 2020, 24 employees (2019: 27) 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):

	2020 % pa	2019 % pa	2018 % pa
Increases in salaries	2.90	3.90	3.80
Increases in pensions and deferred pensions	1.90	2.40	2.30
Discount rate	2.35	2.40	2.55
Retail price inflation	2.70	3.40	3.30
Consumer price inflation	1.90	2.40	2.30

The assets in the scheme were:

	Actual asset allocation 2020	Actual asset allocation 2019
Equities	55%	51%
Other bonds	9%	15%
Property	14%	14%
Cash	12%	8%
Target Return	4%	5%
Commodities	2%	1%
Infrastructure	4%	6%
	100%	100%

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 2020

25 **Pension liability (continued)**

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

Balance sheet disclosure

	2020 £'000	2019 £'000	2018 £'000
Present value of the defined benefit obligation	3,973	4,429	4,392
Fair value of fund assets (bid value)	(1,835)	(1,974)	(1,859)
	<hr/>	<hr/>	<hr/>
Net liability in balance sheet	2,138	2,455	2,533
	<hr/>	<hr/>	<hr/>

Analysis of the amount charged to operating surplus

	2020 £'000	2019 £'000
Current service cost	(71)	(46)
	<hr/>	<hr/>
Total operating charge	(71)	(46)
	<hr/> <hr/>	<hr/> <hr/>

Analysis of the amount charged to the statement of comprehensive income

	2020 £'000	2019 £'000
Net interest on the defined benefit liability	(59)	(64)
Administration expenses	(1)	(1)
	<hr/>	<hr/>
Total loss	(60)	(65)
	<hr/> <hr/>	<hr/> <hr/>

Analysis of amount recognised in other comprehensive income

	2020 £'000	2019 £'000	2018 £'000
Return on fund assets in excess of interest	(76)	117	9
Experience gain on defined benefit obligation	186	-	-
Other actuarial gains/(losses) on assets	(107)	-	-
Change in financial assumptions	386	(209)	131
Change in demographic assumptions	13	247	-
	<hr/>	<hr/>	<hr/>
Remeasurement of the defined liability	402	155	140
	<hr/>	<hr/>	<hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 **Pension liability (continued)**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2020	2019
	£'000	£'000
Opening defined benefit obligation	4,429	4,392
Service cost	59	46
Interest cost	106	111
Contributions by scheme participants	10	8
Past service costs, including curtailments	12	-
Net of change in assumptions and experience	(399)	(38)
Experience loss /(gain) on defined benefit obligation	(186)	-
Estimated benefits paid net of transfers in	(58)	(90)
	<hr/>	<hr/>
Closing defined benefit obligation	3,973	4,429
	<hr/>	<hr/>
Reconciliation of opening and closing balances of the fair value of fund assets	2020	2019
	£'000	£'000
Opening fair value of scheme assets	1,974	1,859
Interest on assets	47	47
Return on assets less interest	(76)	117
Employer contributions	46	34
Contributions by scheme participants	10	8
Actuarial gains/(losses)	(107)	-
Administration expenses	(1)	(1)
Estimated benefits paid (net of transfers in)	(58)	(90)
	<hr/>	<hr/>
Fair value of scheme assets at end of year	1,835	1,974
	<hr/>	<hr/>
Reconciliation of opening and closing surplus	2020	2019
	£'000	£'000
At beginning of the year	(2,455)	(2,533)
Service cost	(71)	(46)
Interest cost	(59)	(64)
Employer contributions	46	34
Actuarial gain / (loss)	402	155
Administration expense	(1)	(1)
	<hr/>	<hr/>
Deficit in scheme at end of year	(2,138)	(2,455)
	<hr/>	<hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 **Pension liability (continued)**

Amounts for the current and previous periods	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(3,973)	(4,429)	(4,392)	(4,449)	(3,960)
Scheme assets	1,835	1,974	1,859	1,859	1,709
Deficit	(2,138)	(2,455)	(2,533)	(2,590)	(2,251)
Experience adjustments on scheme liabilities	399	38	131	(462)	-
Percentage of liabilities	10.0%	0.9%	3.0%	(10.4%)	-
Experience adjustments on scheme assets	(107)	-	-	22	(289)
Percentage of assets	(5.8%)	-	-	1.2%	(16.9%)
Cumulative actuarial loss	(807)	(1,209)	(1,364)	(1,504)	(1,255)

SHPS

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

	2020	2019
	% pa	% pa
Increases in salaries	2.60	3.28
Discount rate	2.37	2.54
Retail price inflation	2.60	3.19
Consumer price inflation	1.60	2.19

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 Pension liability (continued)

The assets in the scheme were:

	Actual asset allocation 2020	Actual asset allocation 2019
Absolute Return	1,223	1,956
Alternative Risk Premia	1,640	1,304
Corporate Bond Fund	1,337	1,055
Credit Relative Value	643	414
Distressed Opportunities	452	411
Emerging Markets Debt	710	780
Fund of Hedge Funds	14	102
Global Equity	3,430	3,804
Infrastructure	1,745	1,185
Insurance-Linked Securities	720	648
Liability Driven Investment	7,783	8,267
Long Lease Property	406	332
Net Current Assets	100	43
Private Debt	473	303
Opportunistic liquid credit	568	-
Liquid credit	10	-
Property	517	509
Risk Sharing	792	683
Secured Income	890	809
	<hr/> 23,453	<hr/> 22,605

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

Balance sheet disclosure

	2020 £'000	2019 £'000
Present value of defined benefit obligation	26,864	27,927
Fair value of plan assets	(23,453)	(22,605)
	<hr/>	
Net liability in balance sheet	3,411	5,322
	<hr/>	

Analysis of the amount recognised in the Statement of Comprehensive Income (SoCI)

	2020 £'000	2019 £'000
Expenses	26	25
Net interest expense	126	167
	<hr/>	
Defined benefit costs recognised in SoCI	152	192
	<hr/> <hr/>	

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

25 **Pension liability (continued)**

Analysis of amount recognised in other comprehensive income	2020	2019
	£'000	£'000
Return on plan assets in excess of interest – (loss)	(129)	311
Experience gain on defined benefit obligation - gain	645	19
Change in financial assumptions - gain	1,796	(454)
Change in demographic assumptions – (loss)	(1,014)	1,077
Remeasurement of the defined liability - gain	1,298	953
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2020	2019
	£'000	£'000
Opening defined benefit obligation	27,927	28,244
Expenses	26	25
Interest expense	706	726
Net actuarial gain due to changes in assumptions and scheme experience	(1,427)	(642)
Benefits paid and expenses	(368)	(426)
Closing defined benefit obligation	26,864	27,927
Reconciliation of opening and closing balances of the fair value of fund assets	2020	2019
	£'000	£'000
Opening fair value of plan assets	22,605	21,460
Interest income	580	559
Employer contributions	765	701
Experience on plan assets – (loss)	(129)	311
Benefits paid and expenses	(368)	(426)
Fair value of scheme assets at end of year	23,453	22,605

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £451,000.

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

Reconciliation of opening and closing surplus	2020	2019
	£'000	£'000
Deficit in plan at beginning of the year	5,322	6,784
Expenses	26	25
Net interest expense	126	167
Actuarial gain	(1,298)	(953)
Employer contributions	(765)	(701)
	<hr/>	
Deficit in plan at end of year	3,411	5,322

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

	GROUP	
	2020	2019
	£'000	£'000
Group operating surplus after exceptional items	3,727	3,685
Depreciation of tangible fixed assets	1,328	1,368
Charge/(release) of impairment provision	(187)	160
Difference between pension charge and cash contributions	(713)	(498)
Increase in debtors	(7,331)	(2,189)
Increase in creditors	166	1,469
Increase in provisions	(408)	150
Amortisation of government grant in the year	(403)	(415)
	<hr/>	
Net cash inflow from operating activities	(3,821)	3,730

27 Analysis of changes in net debt

	At 31		At 31
	March	Cash	March
	2019	flow	2020
Group	£'000	£'000	£'000
Cash at bank and in hand	23,039	(3,816)	19,223
	<hr/>		
Total	23,039	(3,816)	19,223

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

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

	GROUP	
	2020	2019
	£'000	£'000
(Decrease)/Increase in cash in the year	(3,816)	2,379
	<hr/>	<hr/>
Change in net funds	(3,816)	2,379
Net funds at 1 April	23,039	20,660
	<hr/>	<hr/>
Net funds at 31 March	19,223	23,039
	<hr/> <hr/>	<hr/> <hr/>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

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

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 £6,000 (2019: £6,000) in membership fees. There was no outstanding balance at the year-end between the two parties.

Nick Baldwin CBE, Chair of the Group Board, has a son who works at KPMG, the external auditors.

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 £3.72m pension bond facility with HSBC plc on 1 April 2020, whereby the liability to HSBC is guaranteed by the Organisation.

32 Contingent liabilities

On the 13th July 2018, the Court of Appeal ruled, in the *Royal Mencap Society versus Tomlinson-Blake* case, that NMW 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. The Supreme Court heard the appeal in February and are expected to give their ruling in July 2020. It is estimated that the liability should the appeal be successful is between £5.3m to £8.8m for 2 to 6 years back pay. These are the maximum gross unmitigated costs as the net cost to Dimensions is uncertain. We would attempt to reclaim from Local Authorities where possible.

It is felt that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in these financial statements.

33 Provisions for liabilities	GROUP		PARENT	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Aggregate provisions for liabilities	1,092	1,500	998	1,346
	<u>1,092</u>	<u>1,500</u>	<u>998</u>	<u>1,346</u>

Dimensions (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2020

Group	Dilapidations £'000	Income adjustments £'000	Total £'000
At 1 April 2019	371	1,129	1,500
Release of provision	(73)	(398)	(471)
Additions	12	143	155
Utilised	-	(92)	(92)
	<hr/>	<hr/>	<hr/>
	310	782	1,092
	<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 2019	308	1,038	1,346
Release of provision	(71)	(370)	(441)
Additions	12	143	155
Utilised	-	(62)	(62)
	<hr/>	<hr/>	<hr/>
	249	749	998
	<hr/>	<hr/>	<hr/>