emh Care & Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018



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EMH CARE & SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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EMH CARE & SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

TRUSTEES

Tim Brown – Chair (appointed September 2017)
Heather Fawbert (retired September 2017)
Marianne Skelcher (retired September 2017)
Jim Holden
Vandna Gohil
Patricia McCabe (appointed September 2017)

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care & Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE & SUPPORT LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2018.

Structure, Governance & Management

Background

emh Care & Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990 and is limited by guarantee and has charitable status. Its principal activities, aims and objectives as stated in the memorandum and articles of association are:-

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons ;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History

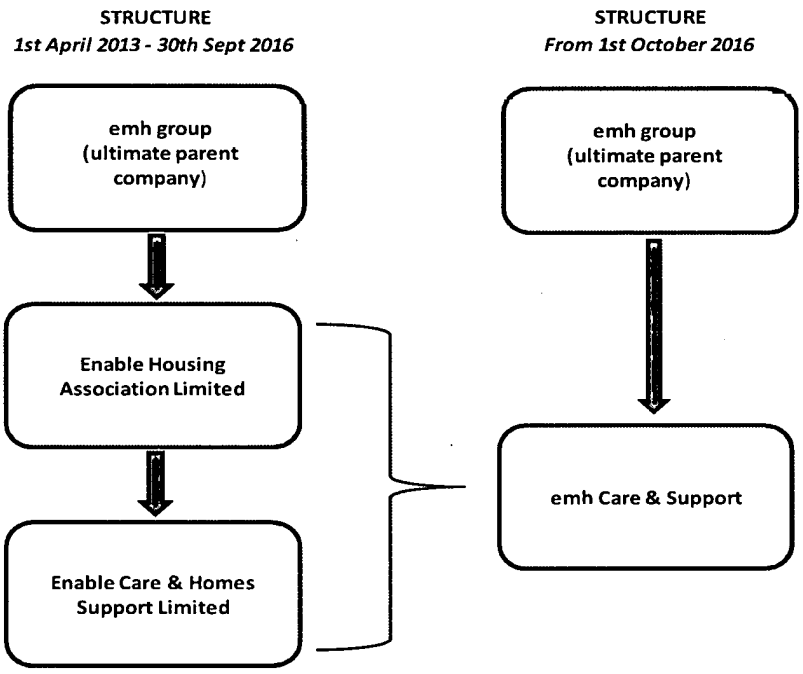
Enable Care & Home Support Limited was set up in 1990 and ran as an independent organisation. In 2003, Enable Housing Association Limited was formed and became the sole member of the company. On 1st April 2013, Enable Housing Association became a wholly owned subsidiary of emh group and was seen by the Board of Management as the ultimate parent company of the organisation.

On 1st October 2016, Enable Care & Home Support took over the business activities & assets and liabilities of Enable Housing Association to form one legal entity. It subsequently rebranded and changed its name to emh Care & Support.

emh Care & Support is a wholly owned subsidiary of emh group. The consolidated accounts for emh group are available on its website **www.emhgroup.org.uk**.

Structure, Governance & Management

Trading History (continued)



Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year:-

Trustee	Board Meeting Attendance
Tim Brown[1]	2/2
Heather Fawbert[2]	2/2
Vandna Gohil	4/4
Jim Holden	3/4
Patricia McCabe[1]	1/2
Marianne Skelcher[2]	2/2

[1] *Appointed September 2017*

[2] *Retired September 2017*

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

Structure, Governance & Management

Appointment and Training of Trustees (continued)

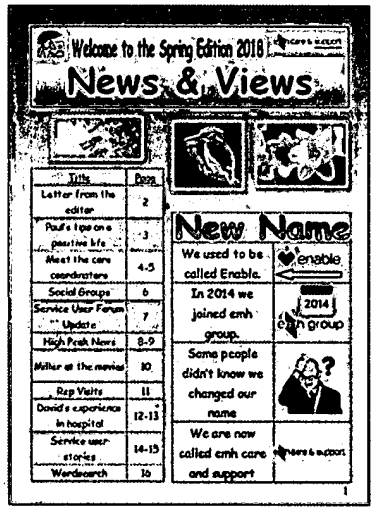
We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events where these will facilitate the undertaking of their role.

The trustees of the company at the year end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP (FRS 102) we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We offer a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum and Carer's Forum.

The Service User Forum, made up of 12 of our service users write and design a newsletter called News & Views. Over the last 6 months, they have visited all services to ask people we support how they feel about the care that they receive, if they are happy with where they live and what activities they would like the forum to arrange. The feedback from this has been shared with Managers, who have developed an action plan and will provide feedback on progress to the Forum on a regular basis.


Welcome to the Spring Edition 2018
News & Views
New Name
We used to be called Enable.
In 2014 we joined emh group.
Some people didn't know we changed our name
We are now called emh care and support

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way that any other contractual relationship with a related party. There were no such relationships at the year end (2017: none).

Corporate Mission and Aims

The organisation strives to "**provide housing and care to improve opportunities for people**". This is underpinned by our corporate values:-

Integrity We are an independent, profit-for-purpose organisation working to the highest ethical standards.

Diversity We will promote equality and fair treatment for all and treat people with decency and respect.

Openness We will be open about our work and share information with our stakeholders.

Accountability We will be accountable to the communities we work with and empower customers to meaningfully influence our priorities.

Clarity We will be consistently clear about our vision, values and strategy.

Excellence We will aspire to be the best among our peers, particularly in the quality of customer services and standards of performance.

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this is a number of ways:-

Supported Housing

We manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers and can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24 hour care 7 days a week. We currently support over 150 service users, providing around 12,000 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 moderately sized nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by our qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission.

We currently manage 8 care homes providing residential accommodation and 24/7 care to our customers. Following a review of our customers needs in these homes, we have been working with the local authority and commissioning body to convert these to supported living schemes which will give our residents greater independence, a secure tenancy and greater financial control. We have been working on this throughout 2017-18 and aim to conclude during 2018-19.

Day Services and Social Enterprise



We manage 4 day centres supporting around 200 customers each week including our own residents and private customers. We offer a varied programme of educational, vocational, social and leisure activities for adults with learning and/or physical disabilities or mental health issues. We aim to improve life skills, knowledge, social interaction, independence and fulfilment.

We also aim to improve our customer's sense of purpose and offer opportunities for people to work in the community and to learn woodwork, baking and food preparation skills, with any funds generated from their sale being reinvested back into the day centres.

Charitable Activities (continued)

Outreach

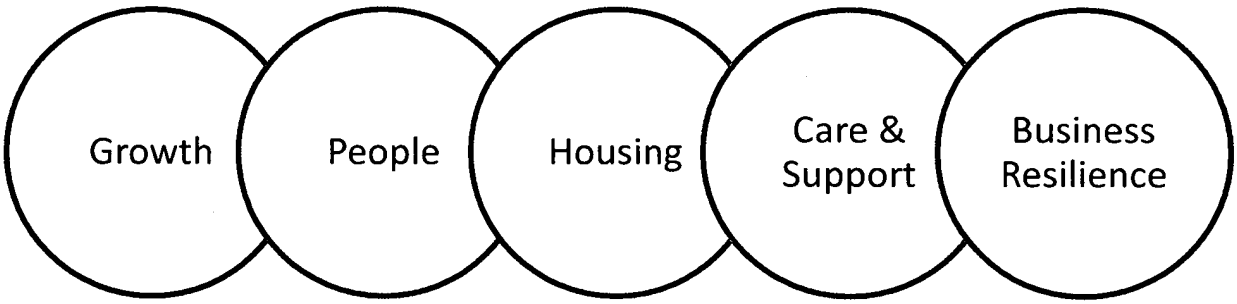
We provide care and support to adults with learning and/or physical disabilities or mental health issues who live in their own or the family home. Each customer has an individual package of care; usually a few hours each week; for help with domestic duties, outings and access to the community.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms.

Future Plans

The Group's latest Strategic Business Plan has been completely revamped and simplified. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.



Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are:-

- ✓ We will expand our care and support services including:
  - o Appraising existing services to determine which we are best placed to support going forward;
  - o Expanding the range and geography of the services we provide;
  - o Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will deliver outstanding care and support services as judged by our regulator and customers;
- ✓ We will actively seek opportunities to diversify our income streams;
- ✓ We will create employment opportunities for people with disabilities.

Achievements and performance

During the year we have made significant progress against our objectives and are proud of our many achievements.

Awards and National Events



Our Community Engagement Team was a finalist at the National Learning Disability & Autism Awards. They were shortlisted for their initiatives to ensure that people with a learning disability have equal access and involvement in their community. This includes setting up a Community Café and garden at Staveley which some of our service users volunteer at to help them learn life skills and enjoy social interaction.

Developing our Services

Our new Extra-Care Scheme, Waterside Court welcomed its first residents in November 2017. This impressive scheme, housing 62 residents in one and two bedroom apartment, has on-site facilities including a cinema and hairdressers. Nicky Morgan MP officially opened the scheme and praised emh for meeting the needs of an aging population and helping them remain independent. The £15.6m scheme was build by our sister company emh homes with contributions from Homes England, Charnwood Borough Council and Leicestershire County Council.

The Inspire Choir was established this year and grew from the emh Care & Support choir. The choir is now independently run by disabled people, for disabled people. The Management Committee are responsible for developing the choir to give more people the opportunity to sing and perform. A funding application has been put forward which will allow the choir to develop their activities including increasing the number of practice sessions and running music workshops to help promote singing and performing to people who may need extra support to get involved.

We improved the branding and signage at our Day Services including renaming the Enable Resource Centre as 5 Senses, using our corporate logo on signage at the entrances and car parks to promote our services and raise our profile in the Derbyshire area.

Our service users volunteer at the Staveley Community Café, helping to provide around 60 meals each week to reduce social isolation, provide opportunities for people with learning disabilities to take part in meaningful activities and to ensure that vulnerable residents can access affordable, quality sustenance to reduce food poverty.



The *Speedwell Eat Well* Community Café, opened in November 2017, provides a dining space, and in collaboration with emh Care & Support, trains people with learning disabilities to prepare, cook and serve meals. And with food provided by *Fareshare*, avoids surplus food waste. emh Care & Support developed an easy-to-read advert and leaflet to recruit a wide range of volunteers and staff "buddy" with volunteers who need extra support.

Achievements and performance (continued)

Through this project we have developed strong partnerships with numerous local organisations, colleges and health professionals to provide meaningful volunteering and work experience for people with a range of needs; including Staveley Town Council, Chesterfield Boroughs Council's Health & Wellbeing Team and Derbyshire County Council's Public Health Team.

At our Mastin Moor scheme, we are developing an accessible community garden which will supply vegetables to the Community Café and distribute excess produce to local isolated residents, whilst enhancing the social enterprise and health & wellbeing of our residents. The project will promote the heritage of the Castle View site, which was a former Isolation Hospital known by the local community as the "Fever Hospital". We will aim to engage with local services offering people with Dementia a place to reflect and reminisce about days gone by.

Regulation

Over the last year our regulator, the Care Quality Commission (CQC), has re-inspected a number of our services including a nursing home, a registered care home, and our supported living service. Oak Court, our Extra-care scheme in Blaby was also inspected for the first time since it opened in 2015. The CQC uses the following rating system:-

☆ **Outstanding**
The service is performing exceptionally well.

● **Good**
The service is performing well and meeting our expectations.

○ **Requires improvement**
The service isn't performing as well as it should be and we have told the service how it must improve.

● **Inadequate**
The service is performing badly and we've taken action against the person or organisation that runs it.

All of our Nursing and Registered Care schemes are rated as Good. Our Supported Living service was rated as Requires Improvement. There were no significant issues and we were rated good in 3 of the 5 areas; safe, caring and responsive and continue to work through our action plan with the aim of achieving Good when the service is re-assessed. Oak Court was also rated as Required Improvement, despite us delivering care in line with the contract; concerns were raised over the level of care provided at night. We will be working with the commissioning body to address this issue and working with customers to ensure they have the right care package for their personal circumstances.

Staff Recognition

Our biggest asset is our staff and we recognise outstanding achievement through our IDOACE staff recognition awards (previously called Above and Beyond the Call of Duty awards). At our staff conference earlier this year, David Russell, Chair of emh Group Board presented overall winner Garry Fothergill with certificates and flowers.



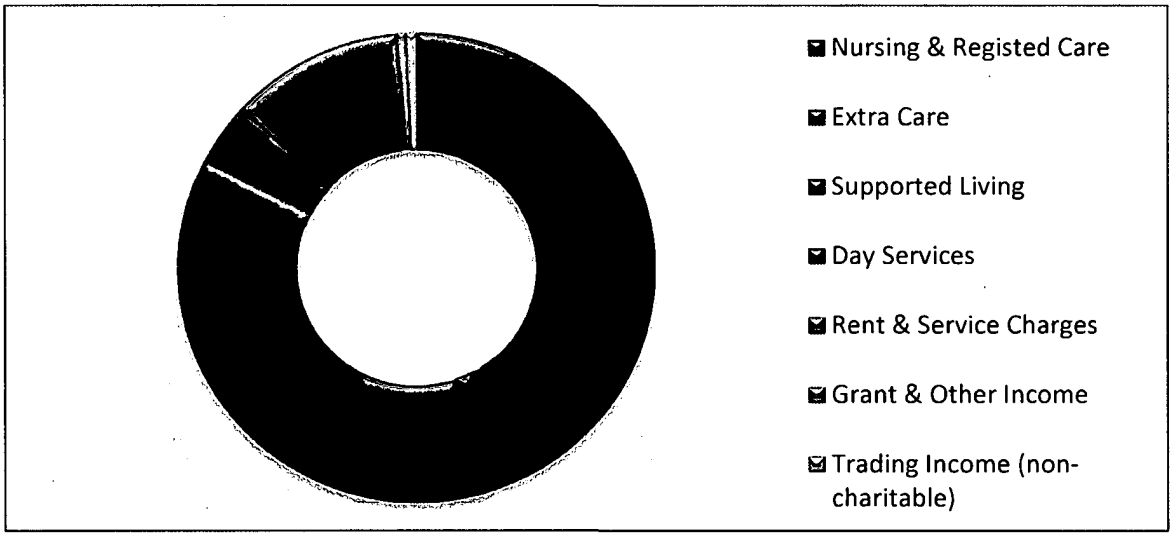
Staff Recognition (continued)

Garry was nominated for being a highly committed and devoted support worker who gives up a lot of his personal time to improving the lives of others. In particular he has set up a range of new projects on site to engage service users in meaningful activities such as woodland walks, a community 'food for thought' project, and a community day centre for the elderly and vulnerable. Garry showed great compassion and care with the passing of a service user, again giving up his own time to ensure the last few days of the service user's life was as meaningful and as comfortable as possible. He was commended for his dedication to one particular service user who he has support for more than 20 years.

Financial Review & Reserves Policy

The accounts set out on pages 16 to 34 are for emh Care & Support Limited. This is the first full year of combined entity. The prior year includes activity previously reported as Enable Care & Home Support for the full financial year; combined with the activities previously reported as Enable Housing Association for the 6 month period from 1st October 2016 to 31st March 2017.

The company generated £16.7m of income during the year; 99% of which is from its charitable activities. A small amount of income was generated from non-charitable activities including income from our social enterprise and a small transport scheme administered for our residents in registered care. The chart below shows the activities that generated the income.

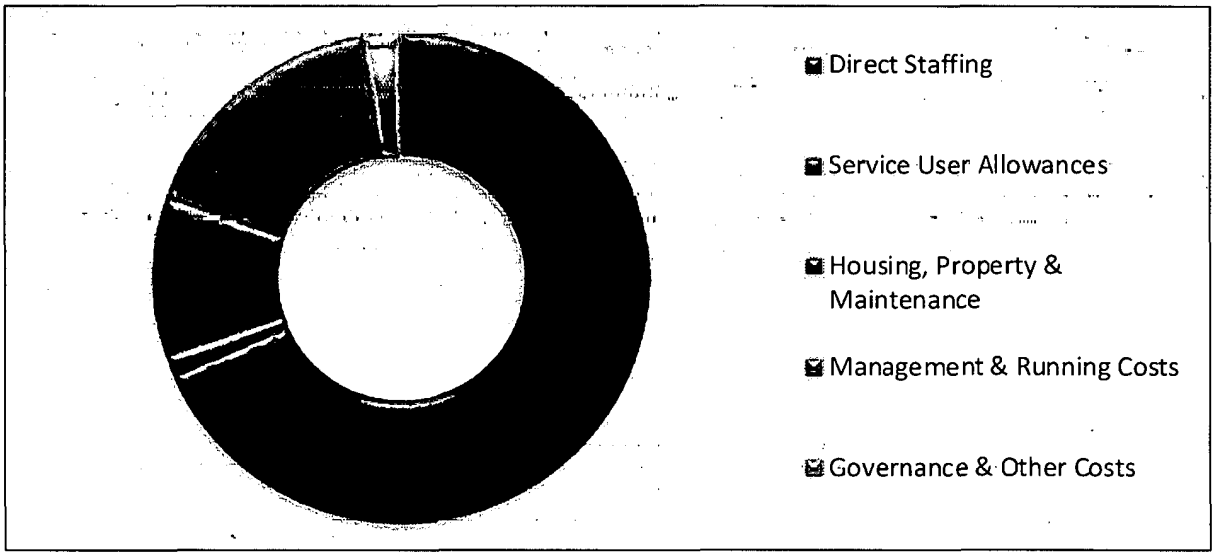


Almost all of our income is spent on delivering the services and maintaining our properties. Our biggest area of expenditure is on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a surplus for the year of £1,159k (2017: £101k). The underlying financial performance of the business has significantly improved following the amalgamation of the 2 entities.

Financial Review & Reserves Policy (continued)

Balancing quality services with financial viability continues to be challenge for the organisation and our ultimate aim is for each service area to at least cover its costs. During the year we have embedded a stronger financial management culture, developed our budget monitoring framework and improved internal financial reporting.



The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of one month's committed expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result.

Overall the following amounts are proposed:-

	£000
Monthly working capital	1,500
Protection against loss of contracts	150
Development and funding contingency	150
	1,800

At the end of the financial year the organisation had fixed assets of £9.1m (2017: £9.3m), net current assets of £5.4m (2017: £4.2m) and total funds of £12.6m (2017: £11.4m) indicating that the target has been achieved. Cash balances have increased by £0.9m over the year.

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

Risk Management and Going Concern

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care & Support environment is challenging and uncertain with reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

We continue to monitor emerging risks including the recent debate across the sector over whether sleep-in shifts qualify as "working time" under the National Minimum Wage (NMW) definition. A sleep-in shift is a night shift where Care Workers are required to be present at a service user's residence overnight and the definition dictates what employers are legally required to pay staff for the hours worked. The interpretation of this law has been subject to a number of legal challenges and on 13th July 2018 the Court of Appeal ruled on a high profile case that only time spent awake and working during a sleep-in shift counts as working time for NMW purposes.

UNISON have now requested the right to appeal this decision in the Supreme Court; which if granted could take several years to conclude; leading to further uncertainty across the care sector.. We have a policy of paying our staff in line with the current NMW requirements as set out by the Court of Appeal and have reviewed the financial implications of a successful appeal. We will closely monitor the situation and if required will work with our staff to ensure that they are appropriately recompensed in line with our legal obligations and with care commissioners to ensure that this is adequately funded.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

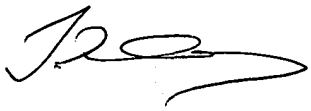
Grants and Donations

During the year the company made no charitable donations (2017: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by:-



JOANNE TILLEY
Secretary
13 September 2018

EMH CARE & SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

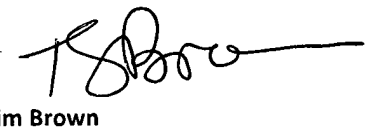
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

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 Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors



Tim Brown
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMH CARE & SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of emh Care & Support Limited ("the charitable company") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

Other information

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway,
Birmingham
B4 6GH
17 September 2018

EMH CARE & SUPPORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 Unrestricted Funds £000	2018 Restricted Funds £000	2018 Total Funds £000	2017 Total Funds £000
Income from :					
Income from Charitable Activities	3	16,604	-	16,604	15,058
Gift Aid Received		-	-	-	184
Other income	4	121	-	121	17
Total Incoming Resources		16,725	-	16,725	15,259
Resources Expended					
Expenditure on :					
Charitable activities:	3	14,984	183	15,167	14,829
Other Expenditure	5	399	-	399	329
Total Resources Expended		15,383	183	15,566	15,158
Net movement in funds		1,342	(183)	1,159	101
Funds brought forward at 1 April 2017		10,470	979	11,449	6,357
Merger Reserve	18	-		-	4,991
Funds carried forward at 31 March 2018		11,812	796	12,608	11,449

The results shown above are all derived from continuing activities.

EMH CARE & SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000
Fixed assets			
Housing properties	11	7,908	8,116
Other fixed assets	11	1,184	1,147
		9,092	9,263
Current assets			
Trade and other debtors	13	2,579	2,237
Cash and cash equivalents		4,713	3,836
		7,292	6,073
Creditors: amounts falling due within one year	14	(1,851)	(1,824)
Net current assets		5,441	4,249
Total assets less current liabilities		14,533	13,512
Creditors: amounts falling due after more than one year	15	(1,514)	(1,635)
Provision for liabilities			
Other provisions	17	(411)	(428)
Net assets		12,608	11,449
Funds			
Unrestricted	18	11,812	10,470
Restricted	19	796	979
		12,608	11,449

These financial statements were approved by the Board on 13 September 2018 and were signed on its behalf by:

Tim Brown
Chair

Joanne Tilley
Secretary

EMH CARE & SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Net cash inflow/(outflow) from operating activities	24	1,202	(608)
Cash Flows from Investing Activities			
Interest received		2	3
Gift aid received		-	184
Purchase of tangible assets		(338)	(363)
Receipts from sale of assets		2	198
Cash provided by (used by) Investing Activities		(334)	22
Cash Flows from Financing Activities			
Interest received/(paid)		9	(19)
Cash provided by (used by) Financing Activities		9	(19)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		877	(605)
Transfers on Merger of Enable Housing Association		-	2,061
Cash and Cash equivalents at 1 April		3,836	2,380
Cash and Cash equivalents at 31 March		4,713	3,836

	At 1 April 2017 £000	Cash Flows £000	At 31 March 2018 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	3,836	877	4,713
Total Cash and Cash equivalents	3,836	877	4,713

1 Constitution

emh Care and Support Limited is a company limited by guarantee. At 31 March 2018, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity.

2 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), applicable accounting standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and

Going Concern
The charity's business activities, together with the factors likely to affect its future development and position, are set out in the Achievement and Performance section of the Strategic Report. The charity is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The Trustees, having assessed the responses of the Directors of the Company's parent East Midlands Housing Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the East Midlands Housing Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the charity's financial position and of the enquiries made of the Directors of East Midlands Housing Group Limited, the charity's Trustees have a reasonable expectation that the charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

2 Principal Accounting Policies (continued)

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

2 Principal Accounting Policies (continued)

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%-33%
Housing accommodation furniture and equipment	33%
Freehold office premises	2%

Social housing grant
Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets
The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. The Charity is unable to obtain sufficient information to use defined benefit accounting for this multi-employer plan, and accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. To the extent that payment plans relate to funding a deficit, the contributions are recognised as a liability payable arising from the agreement with the multi-employer plan and results in a charge to the profit and loss account. Where these payments are not expected to be settled within 12 months the liability is measured at the present value of contributions payable.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. This includes the merger reserve resulting from the merger of Enable Housing Association Ltd.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

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

Creditors and Provisions
Creditors and provisions are recognised where the charity 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.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Key Estimates and Judgements
The key estimates and judgments used in preparing these financial statements are; the estimated value of property, the recoverability of income, impairment of property values, pension liability and the categorisation of assets.

	2018 £000	2017 £000
3 Charitable Activities		
Income from Charitable Activities		
Income support & registered care funding	7,484	8,019
Supported living & day care contracts	7,036	5,906
Rental income & service charges	1,984	1,087
Amortised government grant	14	4
Other Charitable Income	86	42
Total Income from Charitable Activities	16,604	15,058
Expenditure on Charitable Activities		
Care staff costs, including training	10,657	10,826
Service user allowances	219	722
Housing costs	910	593
Maintenance costs	224	221
Salaries & management costs	2,046	1,710
Registration fees	-	15
Professional fees	2	62
Depreciation and impairment	317	107
Bad Debts	107	25
Other costs	502	527
Total Expenditure on Charitable Activities	14,984	14,808
Restricted Funds		
Depreciation and impairment	183	21
4 Other Income		
Fixed asset disposal proceeds	2	132
Fixed asset cost of disposals	-	(221)
Loss on disposal of fixed assets	2	(89)
Interest Received	2	3
Mobility Scheme	76	49
Other Income	41	54
Total Other Income	121	17

	2018 £000	2017 £000
5 Other Expenditure		
Interest Payable	1	35
Mobility Scheme	67	100
Governance;		
Salaries	167	72
Professional Fees	35	1
Other	129	121
	331	194
Total Other Expenditure	399	329

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	509	145
Auditors remuneration	26	29

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2018 Number	2017 Number
Care and support staff	395	425
Office Staff	34	13
Trustees	4	5
	433	443

	2018 £000	2017 £000
Staff costs for the above persons:		
Wages and salaries	9,967	9,528
Social security costs	771	744
Pension costs	367	344
Termination Benefits	64	165
	11,169	10,781

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The Pensions Trust - Social Housing Pension Scheme and Growth Plan

The company participates 2 multi-employer schemes which provide benefits to some 500 non-associated employers; the Social Housing Pension Scheme and the Growth Plan. The schemes are defined benefit schemes in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for these schemes as a defined benefit scheme. Therefore it accounts for the schemes as defined contribution schemes.

The schemes are subject to funding legislation in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The schemes are classified as a "last-man standing arrangement". Therefore the company is potentially liable for other participating employers obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity basis on withdrawal of the scheme.

A full actuarial valuation for the schemes were carried out with an effective date of 30 September 2014. These actuarial valuations were certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m for the Social Housing Pension Scheme and assets of £793m, liabilities of £970m and a deficit of £177m for the Growth Plan. To eliminate the funding shortfall, the trustees and the participating employers have agreed additional contributions will be paid , in combination from all employers, to the scheme as follows:

Deficit contributions	
Tier 1 From 1 April 2016 to 30 September 2020	£40.6m per annum (payable monthly, increasing by 4.7% each year on 1 April)
Tier 2 From 1 April 2016 to 30 September 2023	£28.6m per annum (payable monthly, increasing by 4.7% each year on 1 April)
Tier 3 From 1 April 2016 to 30 September 2026	£32.7m per annum (payable monthly, increasing by 3.0% each year on 1 April)
Tier 4 From 1 April 2016 to 30 September 2026	£31.7m per annum (payable monthly, increasing by 3.0% each year on 1 April)

Growth Plan

Deficit contributions	
From 1 April 2016 to 30 September 2025	£12.9m per annum (payable monthly, increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028	£54.6k per annum (payable monthly, increasing by 3.0% each year on 1 April)

Note that the schemes' previous valuations were carried out with an effective date of 30 September 2011: these valuations were certified in 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m for the Social Housing Pension Scheme and assets of £780m, liabilities of £928m and a deficit of £148m for the Growth Plan. To eliminate this funding shortfall, payments consisted of Tier 1,2 & 3 deficit contributions.

8 Employee Benefits (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	Social Housing Pension Scheme		Growth Plan	
	2018	2017	2018	2017
	£'000	£'000	£	£
Present Value of provision				
Present value of provision at period end	672	774	7	8
Reconciliation of opening and closing provisions				
Provision at start of period	774	525	8	9
Liability transferred from Enable Housing Association during the period	-	290	-	-
Unwinding of discount factor (interest expense)	10	16	-	-
Deficit contribution paid	(103)	(79)	(1)	(1)
Remeasurement - impact of any change in assumptions	(9)	22	-	-
Remeasurement - amendments to the contribution schedule	-	-	-	
Provision at the end of period	672	774	7	8

	Social Housing Pension Scheme		Growth Plan	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Profit and loss impact				
Interest expense	10	16	-	-
Remeasurement - impact of any change in assumptions	(9)	22	-	-
Remeasurement - amendments to the contribution schedule	-	-	-	-
Assumptions				
Rate of discount per annum	1.72%	1.33%	1.71%	1.32%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

	2018 £000	2017 £000
9 Auditors Remuneration		
Fees payable to the company's auditor for the audit of the annual accounts	31	29

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets

	Assets in the Course of Construction £000	Housing properties for letting £000	Care & support properties £000	Total £000
Cost				
1 April 2017	48	5,510	4,988	10,546
Replacement of Components	(48)	125	164	241
31 March 2018	-	5,635	5,152	10,787
Accumulated depreciation				
1 April 2017	-	1,137	1,293	2,430
Charge for year	-	67	65	132
31 March 2018	-	1,204	1,358	2,562
Impairment				
Charge for year	-	-	317	317
31 March 2018	-	-	317	317
Net book value				
31 March 2018	-	4,431	3,477	7,908
31 March 2017	48	4,373	3,695	8,116

11 Fixed Assets (continued)

Other Fixed Assets

	Freehold Properties £000	Vehicles & Equipment £000	Total £000
Cost			
1 April 2017	1,208	577	1,785
Additions	14	83	97
Disposals	-	(8)	(8)
31 March 2018	1,222	652	1,874
Accumulated depreciation			
1 April 2017	281	357	638
Charge for year	22	38	60
Disposals	-	(8)	(8)
31 March 2018	303	387	690
Net book value			
31 March 2018	919	265	1,184
31 March 2017	927	220	1,147

12 Impairment of Housing Assets

During the year emh Care & Support carried out a desktop review of its property portfolio and identified a property that has been in long term void with no immediate plans to re-occupy. This is a trigger for impairment.

Based on this review, the Charity calculated the recoverable amount of the property using estimated market values. Comparing this to the carrying amount of the property, the Charity made an impairment charge against its housing assets.

During the year, as a result of the review, housing assets with a net book value of £567k were impaired by £317k. This is separately disclosed in note 11 - Fixed Assets.

	2018 £000	2017 £000
Charged to Unrestricted Funds	148	-
Charged to Restricted Funds	169	-

	2018 £000	2017 £000
13 Debtors		
Current tenant arrears	98	134
Less provision for bad and doubtful debts	(64)	-
Former tenant arrears	2	17
Less provision for bad and doubtful debts	(2)	(17)
Trade debtors	1,618	1,328
Less provision for trade debtors	(77)	(128)
Prepayments and accrued income	203	355
Other debtors	5	-
Amounts due from Group Companies	796	548
	2,579	2,237

14 Creditors: amounts falling due within one year		
Trade creditors	248	334
Rent received in advance	39	26
Accruals and deferred income	1,040	927
Taxation and social security	202	197
Other creditors	41	26
Pension deficit contributions	108	104
Amounts due to Group Companies	173	210
	1,851	1,824

15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	943	957
Pension deficit contributions	571	678
	1,514	1,635

16 Deferred Government Grants

	Social housing grant £'000	Other government grant £'000	Total £'000
At 1 April 2017	957	-	957
Released to income in the year	(14)	-	(14)
At 31 March 2018	943	-	943

17 Provision for Liabilities	Opening balance as at 1 April 2017	Additional Commitments made during the year	Amounts paid during the year	Closing balance as at 31 March 2018
Leave Pay	34	41	-	75
Transport Scheme	60	-	(58)	2
Collective Grievance	334	-	-	334
	428	41	(58)	411

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

The transport scheme provision relates to a scheme to provide transport for a number of its service users for over 20 years. Following a review of the scheme, the decision was taken to close it in 2016. Vehicles in the scheme have been sold and the proceeds, together with the residual cash balances are being distributed to the scheme members.

The Collective Grievance provision relates to a grievance raised by the Trade Unions challenging the basis of our holiday pay. Negotiations are on-going, however our legal advisors have informed us that any back-dated payments would be time-limited to two years from the date of settlement.

18 Unrestricted Funds	Balance at 1 April 2017 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2018 £000
Retained Surpluses	5,479	1,342	4,991	11,812
Merger Reserve	4,991	-	(4,991)	-
	10,470	1,342	-	11,812

The merger reserve represents the historical retained surpluses from Enable Housing Association Ltd that were transferred to EMH Care & Support Ltd on the merger of the two organisations.

19 Restricted Funds	Balance at 1 April 2017 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2018 £000
Property fund - NHS	869	-	(181)	688
SEIF Capital Grant	110	-	(2)	108
	979	-	(183)	796

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	796	-	796
Unrestricted Funds	8,296	3,516	11,812
	9,092	3,516	12,608

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2018 £000	2017 £000

22 Related party transactions

During the year emh Care & Support had the following intercompany recharge transactions with non regulated entities within the emh group.

Sales to:		
Enable Housing Association Limited	-	867
EMH Housing & Regeneration Ltd	334	-

Sales to Enable Housing Association and EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	915	637
EMH Housing & Regeneration Ltd	38	-
Enable Housing Association Limited	-	161

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration and Enable Housing Association are management charges for housing services and day-care services. These charges are made at an arms length commercial rate.

At the end of the year emh Care & Support had the following intercompany balances with non regulated entities within the emh group.

Debtors		
East Midlands Housing Group Limited	-	36
EMH Housing & Regeneration Ltd	796	512
Creditors		
East Midlands Housing Group Limited	146	205
EMH Housing & Regeneration Ltd	22	5
EMH Sharpes	5	-

23 Ultimate Control

Ultimate control of the charity lies with East Midlands Housing Group who is responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

24 Notes to the Cash Flow Statement	2018 £000	2017 £000
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income / (expenditure) for reporting period (as per the statement of financial activities)	1,159	101
Adjustments for :		
Depreciation charges	509	145
(Gain)/loss on disposal of assets	(2)	89
Interest Receivable	(2)	(3)
Interest Payable	1	35
Gift Aid Receivable	-	(184)
Deferred government grants	(14)	(6)
Pensions costs less contributions payable	(109)	(58)
(Increase) in debtors	(342)	(661)
Increase/(decrease) in creditors	19	(99)
Increase/(decrease) in provisions	(17)	33
Net cash inflow from operating activities	1,202	(608)

