



Association of Directors of Adult Social Services

Annual Report and Financial Statements

Charity Registration Number 299154

31 December 2019

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Reference and administrative details

Trustees

Julie Ogley, President (from 30 April 2019)
James Bullion, Vice President (from 30 April 2019)
Glen Garrod, Immediate Past President (from 30 April 2019)
David Pearson, Honorary Treasurer (to 29 April 2019) Iain MacBeath, Honorary Treasurer (from 30 April 2019)
Richard Webb, Honorary Secretary
Andy Begley (from 25 February 2019)
Margaret Willcox, Immediate Past President (to 29 April 2019)
Alison Tombs (from 27 June 2019)
Brian Parrott (from 27 June 2019)
Catharine Roff (from 19 July 2019)
Carol Tozer (from 18 November 2019)
Martin Samuels

Chief Officer

Cathie Williams

Resource Manager

Julie Boulting-Hodge

Principal address

Association of Directors of Adult Social Services
18 Smith Square
London
SW1P 3HZ

Charity Registration Number

299154

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Principal bankers

Metro Bank plc
London
WC1B 5HA

Insurance

Access Insurance Selsdon House
212-220 Addlington Road South Croydon
Surrey
CR2 8LD

Report of the Trustees

31 December 2019

The Trustees present their statutory report together with the financial statements of the Association of Directors of Adult Social Services for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 of the attached financial statements and comply with the charity's constitution, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective for accounting periods commencing 1 January 2015 or later.

At its Annual General Meeting on 25 April 2007 a motion was passed adopting the new ADASS constitution in its entirety. The purpose of the constitutional change was to establish ADASS from the former Association of Directors of Social Services (ADSS) and the changes were agreed with the Charity Commission in advance of the membership vote.

ADSS was first registered as a charity with effect from 23 September 1987 and changes to the constitution have been made on various dates since then to reflect changes to the Association, the most recent revision executed in 2019.

ADASS members work together at a regional level, and whilst some of this activity is included in this report, these groupings are financially independent of the charity.

Objectives and activities

The constitution of ADASS sets out the following charitable objects:

(a) To promote the education of the public in matters of social policy, social organisation and social problems

(b) To promote the relief of those needing care, support or safeguarding and the preservation and protection of physical and mental health for the benefit of the public

(c) To promote the preservation of family, friendship and community life for the benefit of the public.

(d) To promote inclusion of older, disabled and mentally ill people in all aspects of society.

ADASS is the voice of leaders in adult social care. We believe that all individuals, regardless of disability or frailty should have the means to live purposeful and independent lives, free from discrimination, with dignity and respect. We believe that people who require support as a result of disability, ill health or frailty have the right to high quality support and choice and control over that support. We believe that the views and needs of families and carers are important and that the rights of people who lack mental capacity, who are at risk of compulsory detention under the Mental Health Act or who are in need of care and support and at risk of abuse or neglect should be safeguarded.

Report of the Trustees

31 December 2019

Objectives and activities (continued)

We aim to ensure that high quality social work and care is available to all who need it. We aim to promote the need for adequate funding for social care and to ensure that the infrastructure needed to provide it is available. We aim to further the interests of people who require access to social care regardless of their background and status and to promote public understanding of social care.

ADASS produces an annual Business Plan that outlines the key activities for the Association on a three-year rolling basis.

The Association's aims and objectives are met in a variety of ways, some aimed directly at the public and others aimed indirectly at the public via the impact and influence it has on Government, policy makers, and other professions and organisations who serve the public. Whilst the Association's activities and achievements are reported in full throughout this Annual Report, some of the key activities are outlined below.

Public benefit

When setting the objectives and planning the work of the charity for the year, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance in 2019

Policy and Practice

Over the course of the year we have built on the work of Next Generation ADASS to help shape and strengthen our policy and influencing activities. Our business plan 2019-22 set out our key policy priorities and these have helped us focus on a smaller number of issues and attempt to maximise our impact.

We have continued to use our budget survey in June and our short survey in November to gauge our members' views of the key challenges they face on everything from dealing with financial pressures to handling Continuing Health Care (CHC), and from implementing the Liberty Protection Safeguards (LPS) to managing provider failure. We have used this data to shape our key policy asks and to influence Government and wider political thinking as well as to co-ordinate our regions to support the management of national issues, to share good practice and to participate in sector led improvement.

One of our primary goals in 2019 was to encourage and embolden the respective governments to deliver on the promise to 'sort social care'. In August, we published 'Sorting social care once and for all' which set out our three key priorities:

- 1) short-term funding
- 2) longer-term reform, and
- 3) a long-term plan for adult social care

Report of the Trustees

31 December 2019

Achievements and performance in 2019 (continued)

Policy and Practice (continued)

These three priorities then formed the basis for our General Election campaign asks. We supported this work with a series of infographics and videos which reinforced our calls. Over the coming year we will then use this as the basis for our engagement.

We have worked relentlessly with NHS colleagues to support them in the development and the beginnings of delivery of the Long-Term Plan, in engagement in Sustainable and Transformed Health and Care and in relation to the operational challenges of delivering health and social care under pressure. We have sought to ensure that social care is engaged, involved and reflected in the development of community, primary and mental health services in neighbourhoods and in Sustainability and Transformation Partnership/Integrated Care Systems' local versions of the NHS long-term plan.

Our central and regional teams have continued to sponsor working groups, host events, and produce publications on a range of policy issues and topics. Our briefings and advice notes have reflected our key policy priorities.

Julie Ogley has used her presidency to strengthen our focus on housing and adult social care. We have hosted a number of round tables and member events which have helped shape our housing focused work. We built on this further in 2020 when we hosted a housing policy day in March.

We have continued to actively focus on quality, Safeguarding and Sustainable Care Markets, Sustainable and Personalised Health and Care Systems and Risk and Resources.

This year we have also supported members and the wider system to ensure the sector is prepared for the UK's exit from the European Union, and to ensure business continuity amidst considerable volatility in the care provider market.

Our members and the President's team have continued to work with key partners including: people with lived experience, NHS organisations, Local Government Association, CQC, Healthwatch, the Office of the Public Guardian, think tanks, research bodies, government departments, the criminal justice system and voluntary sector partners.

Communications and Public Affairs

Communication is key for ADASS. In 2019 we have grown our potential to communicate by ending our external contract for press and media work, taking the function in-house and adding additional capacity to the team. All team members play an active role in communicating with our members, partners, press and the public.

ADASS has been recognised for its excellent internal communication mechanisms. Trustees are kept apprised of key issues and developments daily via an evening summary email with a teleconference every two weeks. ADASS Regional Chairs and Leads receive weekly updates with teleconferences scheduled throughout the year. The frequency of these communications is increased in response to business needs.

Report of the Trustees

31 December 2019

Achievements and performance in 2019 (continued)

Communications and Public Affairs (continued)

Government and partners have funded ADASS to manage and co-ordinate national support activity with our regional colleagues, with regard to issues such as major provide failure, planning for a 'No-Deal' EU Exit and for service continuity.

We have redesigned the ADASS weekly bulletin to better engage our members, and have started using other newsletter methods and channels to increase the efficiency of our communications. The ADASS website has also been redesigned to reflect the ADASS Next Generation ideals and provide a smoother experience to both members and the public.

Our functions of informing the public about social care rely on developing relationships with informed journalists as well as our partners. This year saw a two-part Panorama special on social care, looking at the impact of the social care crisis in Somerset as well as a piece that appeared on the BBC News at Six, outlining the findings of our Autumn Survey.

Our budget survey continues to receive media attention, and we have contributed several editorials and interviews to national and specialist news providers.

National Children and Adult Services Conference

The National Children and Adult Services Conference is an annual event providing a critical opportunity for leaders in social care to come together, learn and share challenges and opportunities. It is run in alternative years by ADASS and the LGA and is a key source of income for the charity. The event saw a number of excellent programme sessions and contributions over the three days from a range of individuals and organisations. Positive feedback was received with many referencing the importance of this annual event for those involved in social care in England.

Public Affairs

We have continued to utilise our position as experts in adult social care, alongside the evidence gathered from activities such as the Budget and Autumn Surveys, to ensure that the opportunities and challenges facing adult social care are clearly articulated across Parliament, the Civil Service and beyond.

The President and Trustees spoke at a range of events over the course of 2019. These high-profile events included conferences for the Local Government Association Conference, Independent Age, TSA, LaingBuisson, NHS Confederation and the Alzheimer's Society.

ADASS provided verbal evidence to a range of parliamentary committees including the all-party parliamentary group (APPG) on Adult Social Care and APPG Inquiry into "Autism - 10 years on". We also provided written evidence to parliamentary inquiries such as the Ageing Prison Population and Implementing the NHS Long-Term Plan. ADASS also provided verbal and written evidence to the Low Pay Commission.

We responded to a range of Government consultations and calls for evidence, including the Spring and Autumn Budgets, Spending Round, the provisional local government finance settlement and NHS Legislative Changes.

Report of the Trustees

31 December 2019

Achievements and performance in 2019 (continued)

Public Affairs (continued)

ADASS Trustees also met with a range of representatives from the main political parties, including Rishi Sunak, Liz Kendall and Baroness Jolly.

Financial review

During the year, the Association was involved in many activities, as set out above. The net movement in funds for the year generated by those activities was a surplus of £37,407 (2018: £192,466).

Total income for the year was £2,095,808 (2018: £2,061,005). Sponsorship received for the benefit of members (i.e. excluding the conference in 2018) was £239,800 (2018: £287,535). Membership subscription income increased in the year to £327,057 (2018: £305,432). Grant and contract funding increased during the year from £809,799 in 2018 to £1,340,959 in 2019. The income received includes funding from the Department of Health to support the infrastructure of ADASS, to provide independent advice and ensure its capacity to achieve shared objectives.

Membership remains very good value for local authorities and they may now have up to five members of ADASS in total as a result of the introduction of the extended membership scheme. The Spring Seminar was again successful this year with a surplus of £31,988 (2018 – surplus of £17,192) of income over expenditure. Gifts in kind income in 2019 was £41,200 compared to £37,350 in 2018.

The Association's total funds were £1,917,194 at 31 December 2019 compared to £1,879,787 at 31 December 2018. No funds were restricted to specific purposes although £171,115 (2018: £272,231) has been designated for specific purposes.

Reserves policy

The Trustees reviewed the reserves policy during the year in the light of the relevant guidance on the established level of reserves (those funds that are freely available) that the charity ought to have at any given time and the increasing tendency towards shorter term agreements for funding. The Association needs to maintain sufficient funds to cover any potential loss in sponsorship and conference income and short-term cash flow and to have approximately twelve months of expenditure (based on turnover during a year in which ADASS runs the NCAS conference) available at all times and to cover costs of the Association in the event of the charity winding up. This equates to approximately £1,600,000. At the current time, the reserves have to be sufficient to enable ADASS to operate in the exceptional circumstances created by the Covid-19 pandemic.

The level of free reserves at 31 December 2019 was £1,739,396 (2018: £1,607,556) being general funds of £1,746,079 (2018 - £1,607,556) minus the net book value of tangible fixed assets i.e. £6,683 (2018: £nil). This is slightly higher than the amount set out in our reserves policy, but is deemed to be reasonable in light of the uncertainties created by the Covid-19 pandemic.

Report of the Trustees

31 December 2019

Plans for the future

Through Next Generation work ADASS has decided to work on a three-year rolling business plan and is currently developing this for 2019/22 in consultation with regions, members, policy leads and key partners. We are clearer now about our key functions in relation to leadership, influence, sharing good practice, and supporting and developing our members. Our Next Generation work aims to further increase our capacity and effectiveness, and includes clarifying and updating our vision, beliefs and values so as to give focus to our work, reviewing our governance and membership, streamlining our Executive and decision making, and reviewing our staffing and national and regional arrangements. It is clear that the focus on resources, sustainable health and care systems and the quality and sustainability of personalised care and support will necessarily continue. We are also looking at the potential to focus our work on supporting peoples' rights in relation to mental health, mental capacity and safeguarding through a social justice priority.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders, and our wider society. As well as the personal risk to health of our members and staff, the charity may lose planned income as the result of the cancellation of events, and/or the absence of key personnel. The reduced opportunities for scheduled face to face interaction may well impact on the ability to plan effectively for the medium term. Trustees will continue to keep income generation and the balance of subscriptions, events, contracts and sponsorship under review. However, as noted above, whilst there will be challenges, the Trustees do not expect material concerns to arise over the charity's financial position.

Structure, governance and management

The governing body of ADASS is the Board of Trustees, which following on from the Next Generation review and update of the Constitution now comprises of ten posts. Occasionally vacancies arise when a Trustee leaves and occasionally someone is elected to a post ahead of a vacancy, which may decrease/increase the number of Trustees on a temporary basis. Trustees meet at least five times a year, with further informal meetings by teleconference. Trustees are elected for a three-year term and may serve a second three-year term. The Trustees are ex officio officers of the Association and new officers after election are inducted and trained by existing Trustees and the ADASS staff.

The staff team supports members, the Executive Council and Trustees and is deployed as follows:

The **Chief Officer** provides support to the President, Trustees, Executive, attendance at senior private meetings and the leadership of the staff team.

The **Deputy Chief Officer** supports the Chief Officer and provides advice and leadership, with specific responsibility for shaping our policy and communications activity.

The **Resource Manager** supports the Trustees and manages the business functions of the organisation.

Two **Senior Officers and a Liberty Protection Standards Co-ordinator** have had the lead for co-ordinating work on policy, practice and links with ADASS regions.

Report of the Trustees

31 December 2019

Structure, governance and management (continued)

The **Business Partnerships Officer** has developed sponsorship with a range of organisations.

Two **Communications, Membership and Events Co-ordinators** manage member engagement and external communications via the website, seminars, conferences and events.

Two **Administrators** focus on supporting the charity overall, and finance, membership, events and membership engagement in particular.

We have strengthened our policy function following the Next Generation work. We have concentrated our focus on a smaller number of priorities and influencing the Government and other key decision makers. We have specifically focused on encouraging successive governments to put adult social care on a sustainable footing.

Policy staff are on fixed-term contracts and provide support for the priority areas of the Business Plan, for the Regional and Policy Leads of the Association and for communications with the regional policy and Sector Led Improvement staff. One Policy Officer remains seconded to Social Care Institute for Excellence (SCIE) as part of the Think Local Act Personal project.

The functions relating to the organisation of the National Children and Adult Services Conference are provided under contract with North Yorkshire Council.

Key management personnel

The Trustees consider that they, together with the Chief Officer, Deputy Chief Officer and Resource Manager, comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The Trustees are elected to their positions and do not receive any funding for the work that they undertake on behalf of the charity.

The Chief Officer is employed on a part-time (four days per week) basis. This post, alongside the part time Resource Manager post was evaluated by the Local Government Association who provide HR support for ADASS. The Deputy Chief Officer was appointed on a salary scale decided by Trustees in consideration of the skills, knowledge and experience needed.

Risk management

The Trustees review the principal risks and uncertainties that the charity faces at each of their meetings held throughout the year. During these meetings risks are raised and discussed, existing mitigations are reviewed, and new actions are set to minimise or manage any potential impact to the charity should the risks materialise. This process is particularly important during the current Covid-19 pandemic. The risks considered can be divided into two main areas:

- Financial – includes considerations such as the future financial stability of the charity, bad debts, the risk of fraud and issues arising as a result of poor budgetary control and inappropriate spending

Report of the Trustees

31 December 2019

Structure, governance and management (continued)

Risk management (*continued*)

- Governance and management – includes risks around the staffing and functional requirements of the charity, the ability of the charity to provide the level of service, and the efficient and proper use of its resources

Financial

There is a need to ensure sufficient income is generated to sustain future staffing requirements and activity.

Trustees acknowledge the risks relating to potential loss of income and decrease in the level of reserves particularly in the current climate.

ADASS deliberately seeks to secure income from a range of diverse sources in order to mitigate the risk of the failure of any one.

While contributing towards sustainability, the particular success in achieving sponsorship income has moved the organisation into a different position and Trustees will continue to review the benefits, risks and implications of expanding this further.

The implementation of the Next Generation review continued in year ensuring ADASS continues to respond to environmental changes. Service contracts are being reviewed on a rolling programme.

Governance and management

1. Charity Governance Code (Larger Charities).

Trustees have agreed to work towards full compliance with the recommendations of the Code. The second annual compliance review took place in November and areas requiring further attention included:

- Continued focus on impact and outcome measurement
- Formal (and external) assessment of Board performance
- Positive action to set and achieve diversity objectives
- Benchmarking with similar charities

2. Capacity planning for ADASS elected voluntary roles

Trustees have successfully led ADASS throughout the year and have sought to actively recruit colleagues for voluntary lead roles within the organisation. Trustee numbers were increased to 10 in line with the Next Generation review and updated constitution.

Report of the Trustees

31 December 2019

Structure, governance and management (continued)

Risk management, Governance and management (continued)

3. Capacity planning for staffing within the ADASS staff team

The ongoing review moves ADASS towards fitting staffing structures. This has included the appointment of a Deputy Chief Officer and bringing fully in house the charity's communications and engagement functions

Having assessed the major risks to which the charity is exposed, the Trustees believe that by monitoring reserve levels, by ensuring controls exist of key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate the risks. In particular, as noted above, whilst Covid-19 will present challenges, the Trustees believe the associated risks are manageable.

Raising funds

In 2019 the charity did not seek to raise funds from individuals but has partnered with sponsors who are sympathetic with our charitable aims and objectives.

Acknowledgements

We value the support we received from our sponsors at the Spring Seminar and throughout the year. We would like to thank ADAM, Consensus, Cordis Bright, EY, Grant Thornton, HAS Technology, Home Group, ICS Assessment Services, Impower, Mears, Newton, OLM, Novacare, PA Consulting, Recruitment Team 9 Limited, Tunstall and Younify. ADASS does not encourage Directors of Adult Social Services to trade with any of these organisations.

ADASS complies with all requirements of the General Data Protection Regulation (GDPR) and works hard to protect personal data both within ADASS and that of our partners. We will never sell on any personal information.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

Report of the Trustees

31 December 2019

Statement of Trustees' responsibilities (continued)

- make judgements and estimates that are reasonable and prudent
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by



Honorary Treasurer

Date: 13 April 2020

Independent auditor's report

Year to 31 December 2019

Independent auditor's report to the Trustees of The Association of Directors of Adult Social Services

Opinion

We have audited the financial statements of the Association of Directors of Adult Social Services (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report

Year to 31 December 2019

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

Year to 31 December 2019

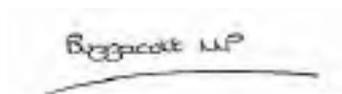
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 April 2020

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

Statement of financial activities

Year to 31 December 2019

	Notes	Total Funds 2019 £	Total Funds 2018 £
Income			
Donations and legacies			
Gifts in kind		41,200	37,350
Other trading activities			
Sponsorship		239,800	287,535
Interest receivable		14,326	10,328
Charitable activities			
Contracts, grants and service level agreements	1	1,340,959	809,799
Subscriptions		327,057	305,197
Conferences and seminars	2	102,256	597,340
Other		30,210	13,456
Total income		2,095,808	2,061,005
Expenditure			
Cost of raising funds	3	70,253	59,241
Expenditure on charitable activities			
Promotion of high quality social care and social justice	4	1,988,148	1,809,298
Total expenditure		2,058,401	1,868,539
Net income before transfers		37,407	192,466
Transfer between funds	12	—	—
Net movement in funds		37,407	192,466
Reconciliation of funds:			
• Fund balances brought forward at 1 January	12	1,879,787	1,687,321
• Fund balances carried forward at 31 December	12	1,917,194	1,879,787

All of the charity's activities derived from continuing operations during the above two financial periods. All income and expenditure in the above two financial periods related to unrestricted funds.

Balance sheet

Year to 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	8	6,683	—
Current assets			
Debtors	9	607,919	499,744
Cash deposits		20,000	20,000
Cash at bank and in hand		1,877,559	1,921,750
		2,505,478	2,441,494
Liabilities			
Creditors: amounts falling due within one year	10	(594,967)	(561,707)
Net current assets		1,910,511	1,879,787
Total net assets	11	1,917,194	1,879,787
The funds of the charity:			
Unrestricted funds			
General fund	12	1,746,079	1,607,556
Designated funds	12	171,115	272,231
Total funds	12	1,917,194	1,879,787

Approved by the trustees and signed on their behalf by:



Iain MacBeath

Honorary Treasurer

Date of approval: 13 April 2020

Statement of cash flows

Year to 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(44,904)	308,975
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,290)	—
Interest received		8,003	10,328
Net cash provided by investing activities		713	10,328
Change in cash and cash equivalents in the year		(44,191)	319,303
Cash and cash equivalents at 1 January 2019	B	1,941,750	1,622,447
Cash and cash equivalents at 31 December 2019	B	1,897,559	1,941,750

Notes to the statement of cash flows for the Year to 31 December 2019.

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	37,407	192,466
Depreciation	607	—
Interest receivable	(8,003)	(10,328)
Increase in debtors	(108,175)	(78,903)
Increase in creditors	33,260	205,740
Net cash (used in) provided by operating activities	(44,904)	308,975

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,877,559	1,921,750
Cash deposits	20,000	20,000
Total cash and cash equivalents	1,897,559	1,941,750

Principal accounting policies

Year to 31 December 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the Year to 31 December 2019 with comparative information provided in respect to the year to 31 December 2018. The financial statements are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates. These include assessing the impact of Covid-19 on the charity's income, expenditure and financial position (see assessment of going concern below).

The items in the financial statements where these judgements and estimates have been made include:

- the valuation of gifts in kind
- the extent of completion of work funded by contractual income
- the allocation of support costs
- the calculation of the provision for bad and doubtful debts
- the expected useful life of tangible fixed assets used to calculate the annual depreciation charge

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Principal accounting policies

Year to 31 December 2019

Assessment of going concern (continued)

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and wider society. As well as the personal risk to health of the charity's members and staff, the charity may lose planned income as the result of the cancellation of events and/or the absence of key personnel. However, additional income may also be generated as a result of new work connected to the Covid-19 pandemic. The reduced opportunities for scheduled face to face interaction may well impact on the ability to plan effectively for the medium term. Whilst Covid-19 creates some uncertainties, the charity had liquid reserves at 31 December 2019 equivalent to approximately eleven months' expenditure. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due including sufficient to enable the charity to operate in the exceptional circumstances created by Covid-19. The most significant areas of judgement that affect items in the financial statements are detailed above.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations (being gifts in kind), sponsorship income, interest receivable, income from charitable activities (comprising grants and contractual income, subscriptions, conference and seminar income and fees) and miscellaneous income.

Gifts in kind (i.e. donated services) are recognised in the period in which it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. Such income is recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market. An equivalent amount is included as expenditure.

Sponsorship income is recognised when the charity has entitlement to the income under the relevant sponsorship agreement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities being grants and/or contractual income and income from fees and conferences or seminars is measured at the fair value of the consideration received or receivable, excluding discounts and rebates. Grants from government and other agencies are included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income in respect to seminars and conferences is recognised when the charity has entitlement to such income which is normally on the date of the relevant seminar or conference.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Principal accounting policies

Year to 31 December 2019

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of promoting high quality social care and social justice

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of personnel development, accounting support, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on staff time. This basis is consistent with the use of resources.

Tangible fixed assets

All assets with a cost in excess of £1,000 and an expected useful life exceeding one year are capitalised and depreciated.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- IT and Communications equipment 33.3% per annum based on cost

Depreciation is charged from the date of acquisition.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Principal accounting policies

Year to 31 December 2019

Cash at bank and in hand and short term deposits

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Taxation

ADASS is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Fund structure

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within ADASS's charitable objects.

Designated funds are defined as unrestricted funds set aside by the Trustees for particular purposes in the future. The Trustees have the power to reallocate such funds within unrestricted funds until expended.

Staff costs

The staff group is made up of direct employees and those employed by the Local Government Association (LGA) on behalf of the charity. Salaries and associated costs for secondees, including contributions to a defined benefit pension scheme operated by the LGA, are initially met by the LGA and then are recharged to the charity. These recharged staff costs are included as expenditure in the statement of financial activities as incurred.

Notes to the financial statements

Year to 31 December 2019

1 Contracts, grants and service level agreements

	Total Funds 2019 £	Total Funds 2018 £
Department of Health and Social Care		
Leadership and Expert Advice on Adult Social Care	166,666	166,667
Liberty Prosecution Standards	113,204	—
ASCOF	5,278	—
Pan Flu	—	50,000
Autism	—	6,000
Efficient and Effective Carers Intervention	149,236	33,884
Local Authority Contingency Plans (Allied)	8,495	151,505
Contingency planning for the UK's exit from the European Union	816,947	—
Local Government Association		
Better Care Fund	—	315,000
Consultancy Support	—	5,700
Learning Difficulties	19,108	4,892
Tripartite Agreement	62,025	76,151
2019 Total funds	1,340,959	809,799

All income from contracts, grants and service level agreements was unrestricted in both the above years.

2 Conferences and seminars

	2019 £	2018 £
Spring seminar	102,256	99,882
Biennial conference	—	497,458
2019 Total funds	102,256	597,340

All income from conferences and seminars was unrestricted in both the above years. 3 Raising funds

3 Raising funds

	2019 £	2018 £
Costs of raising sponsorship and donations	69,571	58,585
Other costs associated with raising funds	682	656
2019 Total funds	70,253	59,241

All expenditure on raising funds was unrestricted in both the above years.

Notes to the financial statements

Year to 31 December 2019

4 Promotion of high quality social care and social justice

	Total Funds 2019 £	Total Funds 2018 £
Special Projects		
Allied	1,560	21,455
Safeguarding, Tripartite Agreement	58,423	76,150
Pan Flu	—	35,700
Autism	15,413	8,750
Support to ASC	815,095	450,000
Contingency planning for the UK's exit from the European Union	118,643	—
Efficient and Effective Carers Intervention	31,111	33,885
Conferences & seminars	70,268	247,148
Sponsorship expenditure	15,647	10,167
Subscriptions	6,525	3,342
Association of Directors of Children's Services: Share of alternate year conference surplus	—	124,365
Administration expenses	10,502	10,412
Bad debts	16,140	10,516
Event/activity costs	773	825
IT development costs*	26,000	25,000
Professional fees	20,242	15,284
Staff travel, subsistence and accommodation	8,225	7,032
Support to the President	19,500	24,000
Irrecoverable VAT	43,280	37,201
Printing and postage	4,419	5,928
Support costs (note 5)	699,161	662,138
Depreciation	607	—
2019 Total funds	1,988,148	1,809,298

*These costs relate to donated services in relation to website work provided by OLM Systems.

There was no restricted expenditure for the promotion of high quality social care and social justice in either of the above years.

Notes to the financial statements

Year to 31 December 2019

5 Support costs

	Staff Costs £	Office Costs £	Total 2019 £	Staff Costs £	Office Costs £	Total 2018 £
Costs of raising funds (note 3)	69,571	682	70,253	58,585	656	59,241
Costs of charitable activities (note 4)	635,686	63,475	699,161	564,677	97,461	662,138
	<u>705,257</u>	<u>64,157</u>	<u>769,414</u>	<u>623,262</u>	<u>98,117</u>	<u>721,379</u>

Support costs have been allocated based on staff time. This basis is consistent with the use of resources.

Office costs include the costs for office accommodation, IT and HR support. These are based on a service level agreement with the LGA.

Support costs above include the following governance costs:

	2019 £	2018 £
Auditor's remuneration		
Current year	7,500	7,300
Other services	2,000	2,000
Insurance		
Trustees' indemnity	436	355
Other	647	485
Trustees', Executive Committee and meeting expenses	<u>13,598</u>	<u>22,383</u>
	<u>24,180</u>	<u>32,523</u>

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff costs

The number of persons employed by the LGA on behalf of the charity or employed directly by the charity during the year was:

	2019 No.	2018 No.
Full time	7.0	3.8
Part time	2.4	2.8
Total	<u>9.4</u>	<u>6.6</u>

Average head count for the number of employees in the year was 8.5 (2018: 6).

Notes to the financial statements

Year to 31 December 2019

6 Staff costs (continued)

	2019 £	2018 £
Staff costs during the year were as follows:		
Wages and salaries	538,748	465,593
Social security costs	57,465	46,562
Pension costs	30,783	29,015
	626,996	541,170
Payments to subcontractors	300,199	253,456
Other staff costs	3,211	3,400
	930,406	798,026

Details of the number of employees with emoluments greater than £60,000 (excluding employer's National Insurance and pension contributions) are as follows:

	2019 No.	2018 No.
£60,001 - £70,000	1	—
£70,001 - £80,000	2	—
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—
£100,001 - £110,000	—	1

During the year the following pension contribution amounts were paid in respect to the above higher paid employees:

	2019 £	2018 £
Pension contributions	21,909	16,863

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Officer, the Deputy Chief Officer and the Resource Manager of the charity.

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £197,537 (2018 - £283,041).

7 Trustees' expenses and remuneration

ADASS Trustees have an active role as the face and voice of the organisation, including influencing policy and developing partner relationships nationally. Out of pocket expenses incurred performing this role are reimbursed to Trustees or paid for directly by ADASS on their behalf.

During the year, expenses totalling £10,793 (2018: £18,356) have been incurred in respect of five Trustees (2018: five). Expenses comprise hotel accommodation of £2,448 (2018: £7,720), travel of £4,298 (2018: £8,612), and subsistence and other expenses of £4,047 (2018: £892).

Notes to the financial statements

Year to 31 December 2019

7 Trustees' expenses and remuneration (continued)

No Trustee received any remuneration in the year (2018: £nil) from the charity.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £436 (2018: £355) and provides cover of up to a maximum of £1 million (2018: £1 million).

8 Tangible fixed assets	IT & Comms equipment 2019 £
Cost	
At 1 January 2019	—
Additions	7,290
Disposals	—
At 31 December 2019	<u>7,290</u>
Depreciation	
At 1 January 2019	—
Charge for the year	607
Disposals	—
At 31 December 2019	<u>607</u>
Net book value	
As at 31 December 2018	—
As at 31 December 2019	<u>6,683</u>

9 Debtors

	2019 £	2018 £
Conference – delegate fees receivable	—	8,091
Other debtors	91,693	112,444
Contract income and grants receivable	486,073	227,300
Other prepayments	30,153	22,466
Conference exhibition income receivable	—	129,443
	<u>607,919</u>	<u>499,744</u>

Notes to the financial statements

Year to 31 December 2019

	2019 £	2018 £
10 Creditors: amounts falling due within one year		
Accruals	23,675	28,145
Other creditors	—	76,803
Conference surplus share of Directors of Children's Services (ADCS) payable to Association	—	124,365
Support of Local Authority Contingency Plans: amounts due to sub-contractors	—	135,000
Amounts owed to Regions: Contingency planning or the UK's exit from the European Union	315,885	—
Taxation and social security	139,743	28,100
Deferred income	115,664	169,294
	594,967	561,707

Deferred income relates to amounts invoiced in relation to 2020 funding.

	2019 £	2018 £
Deferred income as at 1 January	169,294	(229,860)
Released in the year	(169,294)	(229,860)
New deferrals	115,664	169,294
Deferred income as at 31 December	115,664	169,294

11 Analysis of net assets between funds

	2019 Unrestricted funds			2018 Unrestricted funds		
	General Funds £	Designated Funds £	Total 2019 £	General Funds £	Designated Funds £	Total 2018 £
Tangible fixed assets	6,683	—	—	—	—	—
Current assets	2,334,363	171,115	2,505,478	2,169,263	272,231	2,441,494
Current liabilities	(594,967)	—	(594,967)	(561,707)	—	(561,707)
	1,746,079	171,115	1,917,194	1,607,556	272,231	1,879,787

12 Funds

	At 1 January 2019	Income £	Expenditure £	Transfers £	At 31 December 2018
Designated funds	182,231	—	—	(91,116)	91,115
NCAS Conference	90,000	—	—	(10,000)	80,000
Support fund	1,607,556	2,095,808	(2,058,401)	101,116	1,746,079
General fund	1,879,787	2,095,808	(2,058,401)	—	1,917,194

Notes to the financial statements

Year to 31 December 2019

12 Funds (continued)

	At 1 January 2019	Income £	Expenditure £	Transfers £	At 31 December 2018
Designated funds	100,146	—	—	72,085	182,231
NCAS Conference	110,000	—	—	(20,000)	90,000
Support fund	1,477,175	2,061,005	(1,868,559)	(52,085)	1,607,556
General fund	<u>1,687,321</u>	<u>2,061,005</u>	<u>(1,868,559)</u>	<u>—</u>	<u>1,879,787</u>

Designated funds

NCAS Conference fund:

The balance at 1 January 2019 comprised the charity's share of the surplus generated from the 2018 conference. The transfer from this fund to the general fund during the year of £91,116 (2018 - £72,085) is to support the core activities of the charity.

Support fund:

The support fund comprises monies designated during the year to provide the charity with a 'cushion' to mitigate a known risk of unusual expenditure associated with a staffing matter. The transfer from this fund to the general fund during the year of £10,000 (2018 -£20,000) reflects the change in the amount estimated as required to mitigate this risk.

13 Related party transactions

ADASS holds service level agreements with the Local Government Association (LGA) for office rental, media services and the employment within the charity. The total amount charged to ADASS by the LGA during the year was £243,650 (2018: £361,449). The balance owed to the LGA at 31 December 2019 was £nil (2018: £2,750).

In 2019, ADASS made a contribution to the President's employer in recognition of the significant time required to perform the role within the charity. ADASS paid £18,000 (2018 - £18,000) to Central Bedfordshire Council in respect to this.

£5,000 was also received from Lincolnshire County Council as reimbursement for contractor expenditure. All Trustees are also members of ADASS with their respective local authorities meeting the cost of their subscriptions on an arms-length basis. Other transactions with Trustees are disclosed in note 7 to these financial statements.

There were no other related party transactions in the year requiring disclosure (2018 – none).

**Association of Directors
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