DIMENSIONS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 MARCH 2014

Industrial & Provident Society Number: 31192R

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STATUTORY INFORMATION

THE BOARD 1 April 2013 to 30 July 2014	Helen Baker (Chair – appointed 30 May 2013) Geoff Rose (Chair - resigned on 12 September 2013) Alan Teague (resigned on 12 September 2013) Nigel Pink (resigned on 12 September 2013) Margaret Attwood Ros Goldfarb (resigned on 1 May 2014) Anne Barnard Susan Kirkman (a co-opted member) Steve Inch (a co-opted member) Calum Mercer Christine Cryne Jonathan Mason Kevin Lewis Steve Scown (Chief Executive Officer and a co-opted member)	
EXECUTIVE DIRECTORS as at 30 July 2014	Chris Ingram Mark Horlock Stella Cheetham Lisa Hopkins Jackie Fletcher Paul Jobson	Director of Operations Director of Finance Director of Human Resources Director of Practice Development Director of Quality and Compliance and Secretary Commercial Director
REGISTERED OFFICE		9/10 Commerce Park Brunel Road Theale, Reading Berkshire RG7 4AB
BANKERS		National Westminster Bank Plc 13, Market Place Reading Berkshire RG1 3BB
SOLICITORS	Anthony Collins solicitors LLP 134 Edmond Street Birmingham, B3 2ES	Trowers & Hamlins 3 Bunhill Row London EC1Y EYZ
AUDITOR AND ACCOUNTING & TAX ADVISERS		KPMG LLP Arlington Business Park, Reading, RG7 4SD
INTERNAL AUDITORS		BDO LLP 55 Baker Street, London, W1U 7EU
INDUSTRIAL & PROVIDENT SOCIETY NUMBER		31192R
HOMES AND COMMUNITIES AGENCY NUMBER		4648

DIMENSIONS (UK) LIMITED
CHAIR'S AND CHIEF EXECUTIVE OFFICER'S STATEMENT

The past year has presented Dimensions with many challenges, but again we have been able to respond creatively, to strengthen our practice and to build on new opportunities to use our knowledge and experience. Our approach to personalisation remains at the centre of all we do, and we have made significant progress right across the organisation in further developing our culture and focus so that the people we support have more choice and control in their lives.

We are committed to achieving positive outcomes and better lives for everyone we support, whether that is helping them to find a job, a new home or to get more involved with their communities. One of the best things about working for Dimensions is hearing positive stories every day about people making changes in their lives - whether it's staff working with Zak to teach him to make his own drinks and help to prepare simple meals, Steven getting a job working for a firm creating special effects for films in Somerset, or five young men moving away from home for the first time and into a shared house in Sheffield.

With relentless pressure on public spending, our turnover fell a little this year. Our strategic commitment to driving efficiencies and real value for money enabled us to balance this by reducing overheads and operational costs and increase our operating surplus. This meant that we were able to give all our staff an unconsolidated bonus in recognition of the part they played in this, and to sponsor new important initiatives and still protect the quality of our services.

Every day our 5,000 staff work with the 3,500 people we support throughout England and Wales. We are particularly grateful to staff for working with us so constructively and for keeping services steady through a significant operational restructure this year. Their commitment and dedication has put us in a strong position for the future. We have continued to prioritise investment in employee training and development and to increase the numbers benefitting from this.

A number of Board members stepped down at the end of their terms of office and were succeeded by the new non-executive directors appointed in 2012/13. As the new Chair from September 2013, I would like to thank my predecessor Geoff Rose and all the retiring Board members for the very significant contribution they made to Dimensions and to all we have been able to achieve. I would also like to say just how pleased I am to have become a part of such an exciting and values-driven organisation.

We would like to thank all the partners we work with, learn from and innovate with. In particular this year Ambitious about Autism, with whom we are opening our first school in September which will enable children with autism to flourish and live independent lives in the future.

We would also like to thank all of the people we support who inspire us to stay focused on what really matters and their families who share their experience and energise us. Most importantly we thank our staff whose commitment, ambition to change lives and sheer hard work transforms what we can do. This gives us continuing hope for the future of the people we support, both within and beyond Dimensions.

Helen Baker
Chair

Steve Scown
Chief Executive Officer

OVERVIEW OF THE BUSINESS

The principal activity of the Group ('Dimensions') is the provision of personalised support with housing through Dimensions (UK) Limited and its subsidiaries Outreach 3 Way Limited and Waymarks Limited.

Dimensions provides a wide range of services for children and adults with learning disabilities and people who experience autism, including those with complex needs or challenging behaviour. We are a not-for-profit organisation, supporting around 3,500 people and their families throughout England and Wales. We enable people to be part of their community and make their own choices and decisions about their lives.

Dimensions also provides supported employment services to help some of the people we support to get a job and is sponsoring The Rise School for children with autism, which is due to open in September 2014.

As a Registered Provider of social housing, Dimensions provides low cost rented accommodation for 1,191 people as set out below:

	Owned and directly managed by Dimensions	**Owned by Dimensions but managed by other organisations**	**Managed by Dimensions for other organisations**
Supported housing	234	183	175
Care homes	170	388	41
Total	**404**	**571**	**216**

In addition, we enable a further 43 people to access the private rented sector.

OUR VISION, MISSION AND VALUES

Our Vision is an inclusive society where people have equal chances to live the life they choose and our mission is to make a difference to people by delivering personalised support that improves the quality of life.

Our Values are:

Ambition	we seek to help people to reach their potential
Respect	we show people respect and recognise that their unique contribution adds value to us all
Courage	we are guided by the courage of our convictions to make a difference
Integrity	we ensure what we do is grounded in what we believe
Partnership	we work with others to achieve more for people

Our Strategic Aims are:

Personalisation	to deliver 'just enough support' that reflects the aspirations of every person we support
Development	to increase our ability to support more people better
Engagement	to build our reputation and relationships to achieve positive outcomes for the people we support
People	to foster an environment that attracts and retains the right people and encourages and recognises best practice
Organisation	to maintain financial sustainability and use our resources effectively and efficiently

Our Vision, Mission and Strategic Aims continue to reflect our commitment to provide excellent personalised support for people and to provide a framework for our continuing diversification and development.

Our aim is for everyone we support, irrespective of where they are supported, to be able to choose not only what they spend their time doing but who supports them and when. Indeed, we are building on our leading edge personalisation work and have further developed ways of providing personalised support within traditional care home environments. In addition, our network of Support Advisors works closely with personal budget holders and their families to design and implement the right packages of support for them provided in their preferred accommodation.

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

We have recognised as an organisation that we need to improve how we work with the families of people we support. We have invested in recruiting Family Consultants who have recognised expert experience to help us develop our way of working so we can achieve our aim of becoming a family friendly organisation and hold regular Family Forums with our Executive Team to receive and discuss feedback.

FINANCIAL RESULTS FOR THE YEAR

The Group achieved an operating surplus of £3,779,000 (2013: £952,000). The total surplus recognised in the Income and Expenditure Account was £3,936,000 (2013: £725,000). Within this surplus, Dimensions (UK) Limited, the Group Parent, made a surplus of £3,768,000 (2013: £794,000). The operating surplus is after providing £1,036,000 for an unconsolidated pay award. In addition, consolidated pay increases amounting to circa £975,000 per annum were implemented during the year.

The result for the year is an improvement on the result for 2013. Once again, fee reductions were suffered, arising as a result of the spending review in government. However, in the year the impact was less than we had expected, although this will be a short-term benefit as a number of fee reductions are due to come into effect from April 2014.

The Group has also benefitted from the significant restructuring actions undertaken as part of the Efficiency Strategy. In the year this included a major change to our operational management structure. In addition, much work has been done to improve operational efficiency. In particular, we have worked hard to reduce sickness levels and cost.

The operating surplus is after providing £1,036,000 for the bonus pay award and £248,000 for onerous lease provision but also includes an interest refund of £270,000 arising from the cancellation of O3W Limited interest rate swap agreements.

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

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Turnover	116,290	121,268	118,504	110,081	102,318
Operating surplus (before exceptional items and adjustments arising from acquisitions)	**3,779**	**952**	**605**	**1,419**	**959**

Turnover fell in 2013/14 as a result of:

- Income reductions suffered in relation to the comprehensive spending review, although these were largely mitigated by matching cost reductions;
- The closure of Dimensions' loss-making subsidiary Dimensions Community Enterprises CIC;
- The closure of certain loss-making services in the year; and
- The loss of contracts in Doncaster and Windsor & Maidenhead in the year.

In addition, we did not generate as much new income from growth, to compensate for the lost income, as we would have liked. A new Commercial Director has been appointed and the Commercial Directorate restructured, which should bring greater focus to our business development activities. However, it should be noted that turnover is still likely to fall again in 2014/15 because of the full-year effects of losing the Doncaster and Windsor & Maidenhead contracts and the significant fee reductions due to come into effect in April 2014.

Balance sheet highlights	**2014** £'000	**2013** £'000	**2012** £'000	**2011** £'000	**2010** £'000
Cash and investments	14,948	10,411	10,171	14,438	11,138
Capital and reserves	**14,497**	**10,974**	**10,228**	**13,061**	**10,937**

Cash increased in 2013/14, reflecting the better operational performance. Note that the reduction in cash and Investments and Capital and Reserves in 2012 was as a result of significant restructuring costs incurred and additional pension provision related to the Social Housing Pension Scheme. These were partly offset by positive net assets brought in when Outreach 3 Way Limited joined the Group. The restructuring costs have now been effectively recouped and the Group is in a strong position to deal with the continuing financial challenges.

PRINCIPAL RISKS

Reduced public spending - our sector is undergoing significant and radical change and it is clear the financial pressure on public services in the UK will continue to be intense for many years. We have responded to the financial pressures through developing and implementing an Efficiency Strategy which has enabled us to reduce our overhead and operational costs whilst protecting the support we provide people.

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

Pensions – Dimensions has participated in several defined benefit pension schemes. Like many other organisations, liabilities are currently greater than the market value of the schemes' assets due to reduced investment returns and increasing life expectancy rates. There is a risk that contributions may need to be increased in the future or, where Dimensions has agreed to make annual contributions towards the deficit as in the case of the Social Housing Pensions Scheme (SHPS), these contributions may need to be increased. It should also be noted that if Dimensions were to cease to participate in a SHPS scheme, then the Trustees of SHPS could levy an employer debt to cover the excess liabilities, calculated on a buy-out basis. Typically, the debt calculated on a buy-out basis is much greater than the cost of funding the deficit through continuing contributions. The SHPS scheme actuary has estimated the employer debt that would have been payable if Dimensions had withdrawn from SHPS as at 30 September 2013 at £20.5m. There is no intention to withdraw from SHPS.

Legislation and case law – naturally, this will evolve over time. In certain cases there is a risk that it may do so in ways that could have a significant impact on our costs. We monitor these changes and implement actions to mitigate against adverse effects where appropriate.

FUTURE DEVELOPMENT

Looking forward we will continue to develop and to reap the benefits from a range of diverse initiatives and projects. We will continue to embed person centred thinking tools into Dimensions through initiatives such as improving how we recruit and performance manage our staff by placing the people we support at the centre of these key activities. Fundamentally, we will continue to be a leader in personalisation helping individuals and their families to get the right support for them. We are also helping other organisations on the path to personalisation by sharing our knowledge. In particular, we have developed, in collaboration with Helen Sanderson Associates, person centred e-learning courses for our own use and we have made this available to other organisations.

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

Dimensions is working to establish a new free school in West London (the Rise School) in partnership with Ambitious about Autism (AaA) for up to 100 children with autism aged 5 to 19 years. Through co-locating with Feltham Community College, the school will enable access to curriculum and social opportunities and will provide transitional support to learning, work and life. The Department for Education has approved the application to establish the Rise School and work is underway with the aim of opening the school in September 2014.

VALUE FOR MONEY

Value for money (VFM) is central to how Dimensions ensures current and future delivery of its objectives and describes the relationship between our costs and the quality of services and housing. The Board has adopted a strategy for optimising value for money, and systems to ensure that this strategy is delivered.

An annual VFM report is produced that sets out the organisation's strategic approach to achieving value for money in meeting its objectives. This includes a critical assessment of the performance of assets and resources (including financial, social and environmental returns), taking into account the interests of and commitments to stakeholders, through external and internal benchmarking and monitoring our performance over time. VFM is also assessed in the context of the risk management framework, which flows from the corporate strategy.

Our full VFM Statement can be found on our website at www.dimensions-uk.org. The Dimensions VFM statement has been written for the people we support and our tenants, their families and circles of support, our staff and our other stakeholders.

The Board is pleased with the progress made in some areas of the VFM programme during 2013/14. However, there are a number of key areas requiring further improvement. In summary, the Board's assessment of the performance in relation to each of the key strategic objectives is set out below. The examples used under each objective are samples from the full VFM report of key performance indicators used by the Board in monitoring VFM.

Personalisation - To deliver 'just enough support' that reflects the aspirations of every person we support

We are working to personalise all of our services and one of our targets is that by end of 2015/16 all people in a residential service receiving over 30 hours of support per week will have a Dimensions Individual Service Fund if their local authority purchaser has not allocated one. However, we recognise that a better mechanism to report on this objective is required and this will be developed in 2014/15.

Good progress has been made in improving regulatory compliance (CQC/CSSIW) with this rising to 94% by the end of 2013/14 (benchmark 90%; 2012/13 59%). We continue to aim for 100% compliance.

"Dimensions' Standards" were introduced in 2012/13 and are regularly audited by our Compliance Auditors for each service. These standards encompass the various regulatory standards that apply to our different businesses and consequently set a higher base standard than pure regulatory compliance. As expected (until the compliance audit programme was fully embedded), the initial compliance scores were low. However, this has increased to 72% (2012/13: 53%) and we are making good progress towards our target of 90%.

Development - To increase our ability to support more people better

During 2013/14 we did not achieve the level of new business growth we had hoped and planned for. Our target tender win ratio of 25% for new business submissions and 100% of existing viable contracts was not achieved. In particular, we were disappointed to lose existing contracts in Doncaster and Windsor & Maidenhead leading to an average tender win ratio of only 31%.

We recognised that our business development approach required a fresh perspective and a new approach. We therefore recruited a Commercial Director in January and have invested in a restructured business development function. By early 2014/15 a lot of progress has been made in terms of modernising our approach and introducing new control measures and reporting mechanisms.

Engagement - To build our reputation and relationships to achieve positive outcomes for the people we support

We established with our partners Ambitious About Autism a multi-academy trust (the Autism Schools Trust, "AST") and secured DfE approval for our first Free School for children with high functioning autism. Our approach to education is very much focussed on what the children who attend the school will be doing when they are thirty years old. Our research indicates that, through this focus on their life post-school, for every £1 we invest in AST, there will be a social return on investment of £26k.

We have also furthered engagement sharing good practice. In particular, through working in partnership with Helen Sanderson Associates we have developed a person centred thinking tools e-learning product. This has enhanced the learning and development opportunities for our own workforce and we are now offering this product to other like-minded organisations in social care, health care and education.

Our partnership work with three national cinema chains to offer 'autism friendly screenings' has continued since our first showing in 2011. In 2013/14 65,511 tickets were sold (2012/13: 23,966).

During 2013/14 we established a new partnership with Parliamentary Outreach with the aim of helping people with learning disabilities have a better understanding of voting in elections and to help the people we support learn how to vote. During the year we ran 25 workshops which were attended by over 300 people.

We recognise that we need to establish more effective ways of measuring our performance against our Engagement strategic aim.

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

Our management of our resources and our efficiency savings through 2013/14 resulted in a better than budgeted financial result. The Board decided to invest in our staff and award each of them an unconsolidated payment. This decision is consistent with our long-standing commitment to pay our staff (particularly those who are lower paid) more when circumstances allow.

Our scheduled re-assessment for Investors in People (IiP) accreditation highlighted areas for improvement including internal communication and IT training. Our more recent Staff Survey indicated improvement in a number of areas when compared to previous surveys including a much improved understanding of organisational expectations and increased confidence in the management of poor performance. However, the IiP report and the survey analysis highlighted areas of concern regarding how engaged parts of our workforce currently are.

We have made more effective use of our IT infrastructure and this has enabled us to introduce during 2013/14 e-learning as our primary means of providing mandatory training for our staff. In previous years all our mandatory training was delivered via face-to-face classroom based training. This change has enabled us to increase non-mandatory training activity, whilst reducing our overall training cost.

We have strengthened our approach to performance management and established a 'season' based methodology. We also incorporated into our approach person centred thinking tools. By doing this we are further embedding these critical tools into every aspect of our work which in turn will enhance our capability to provide person centred support. However, the number of staff members who have had an annual appraisal within last 12 months was 80%, which fell short of our target of 90%.

We have made some progress in reducing our levels of sickness and the cost of sickness. This, together with other productivity improvements, has led to financial savings in excess of £1.25m. Average working days sickness per employee reduced to 11.2 days (2012/13: 11.6). This is lower than our benchmark (Voluntary Organisations Directors Group) of 12.0 days. However, we recognise that the level of staff sickness is still not acceptable and our immediate target is to reduce the level to 10.0 working days.

The hourly pay of support workers is regularly benchmarked against local employment markets and adjustment made to ensure that we pay the market rate in all areas. In the year, the total of the adjustments made to support workers base pay amounted to £950k per annum.

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

The Board is pleased with progress in this area. In particular, the operating surplus has been improved and the quality of our services has improved despite the reductions in funding. The Board has set a future target of achieving an Operating Surplus of at least 2% in any year. This provides the organisation with sufficient financial flexibility to deal with the short-term risks the Board has identified.

The Board approved our initial Efficiency Strategy 2012 and good progress has been made in achieving the efficiency targets. To date the following annual savings have been achieved:

	£m
2011/12	1.65
2012/13	0.96
2013/14	2.10
Total annual savings achieved	4.71

The savings achieved in 2013/14 of £2.1m were made through a range of measures including: restructuring our business support departments, closing a loss making subsidiary, restructuring another subsidiary and restructuring how we manage our care operations.

However, the number of support hours we deliver has not increased to the degree we had modelled when developing our Efficiency Strategy. Consequently our overhead cost as a percentage of income is not reducing as much as we expected. The five year financial forecast (which includes the projected Efficiency Strategy savings and current growth expectations) indicates the overhead reducing to 6% (previous expectation 5%).

During 2013/14 we developed our understanding of workforce productivity and we are now able to produce reliable and robust workforce data weekly. This information has helped our operational managers better appreciate how they use their staff resource and find ways to improve their productivity. Our average organisational productivity in the year was 79 %. We did not have a target for 2013/14 as the data had not been available prior to April 2013. However, the delivery plan target for 2014/15 is 82%.

The absolute and comparative cost of our care services is an important factor for many stakeholders. The comparative cost is indicated by the effective hourly cost of providing care. The Efficiency Strategy described above is enabling the organisation to reduce this cost. In 2013, the Board set a target for the relationship between the total hourly cost of care services and the base cost of employing a support worker. In 2013/14, the comparative cost of the care we provide reduced by 5.1% (target 5.1%: 2012/13 reduction 2.7%). The current comparative cost is 3.5% above the target set by the Board in the Efficiency Strategy. The Board is satisfied that the actions identified in the Efficiency Strategy through to 2017/18 are sufficient to achieve the targeted comparative cost.

Return on assets and management of assets

Our internal assessment of the existing use value (EUV) of our properties shows this increasing by more than the book value. Our conclusion is that this demonstrates that value is being created.

We assess the financial return on our assets by challenging ourselves whether we are holding and investing in the right assets and secondly for those we retain whether we are managing them effectively and efficiently. We only hold homes where support can be delivered either by ourselves or our agents or where the properties are suitable for tenancies for people with learning disabilities and autism. In addition to these straightforward tests we retain the assets if the in-use valuation indicates that it is commercially advantageous to hold them in the long term or if the in-use [net] cost of a property is justified by the social return. Our litmus test is our ability to house a vulnerable person in a suitable environment, which would not otherwise be possible, and where the additional cost to Dimensions is proportionate to the social return. During 2013/14 four properties were sold during the year and our aim is to recycle the Capital Grant realised through disposals to provide new housing opportunities for people with learning disabilities and autism. The RCGF available at the end of 13/14 was £2.1m.

In 2013/14, 40% of our homes were subject to a stock condition survey (target 20% each year). However, the higher proportion in the year was because of work to complete from the previous year. All of our stock meets the Decent Homes standard.

Major Repairs - much of our stock is pre second world war and a number of homes are from the 19th century, where we would expect the maintenance expenditure to be higher. We would also expect our major repairs cost to be higher than for general needs registered providers due to the different needs of our tenants, who require more robust (expensive) fittings which also are more likely to require more frequent repair/replacement. Our assessment is that because of these factors, our major repairs charge at 7% higher than the global accounts average is reasonable and does represent VFM. However, we have also concluded that our major repairs were under resourced prior to 2013/14 and we have directed more resource to this. We anticipate a reduction in cyclical works as a result of this increase in resource from 2017/18.

Routine / Planned Repairs – similarly, the age of our properties and the needs of our tenants can also lead to more wear and tear and therefore more repairs. Failure to act on issues could lead to compliance issues with the Care Quality Commission and we must continue to ensure that components are repaired as they fail. Where possible, we are fitting maintenance free components (e.g. UPVC windows and doors, UPVC soffits) and this should lead to a reduction in routine repairs. From 2017/18 we will aim to reduce the charge for routine repairs to the global accounts average plus 10%, which we believe represents value for money for our tenants. For 2013/14 our unit cost of repairs was circa 13% higher than the most recently published 2012/13 global accounts average.

Our housing management costs are higher than general needs registered providers (£1,053 unit cost compared to the 2012/13 global accounts average of £1,012). Although the dispersed nature of our stock might require a higher management cost than more locally orientated providers, we do not believe that in the long term our tenants should pay more than average. We propose to continue to hold our management charge at the current rate until it comes fully in line with the benchmark.

Our future plans for Value for Money

On reviewing our VFM performance for 2013/14 and looking ahead to 2014/15 and beyond we recognise a number of challenges that lie ahead. These include:

- The ongoing financial challenges in the public sector and potentially reduced income.
- Increasing levels of demand for social and health care leading to changes to eligibility criteria.

- Proposed changes to housing regulation and the impact of on-going welfare reform.
- An improving UK economy will make it harder to recruit the right calibre staff if wages in other sectors improve faster than we are able to enhance our levels of remuneration.

However, we continue to be optimistic about the future for Dimensions as we have in place robust strategies to realise further efficiencies and improve levels of productivity. In addition, to further develop and embed VFM within the organisation, the Board will:

- Undertake a review of our Corporate Strategy.
- Develop a new asset management strategy.
- Develop a new Housing Strategy.
- Develop VFM targets for each department and report on progress throughout the year to the Board.
- Improve our understanding of Social Return on Investment so we can better appreciate the value of what we provide.
- Review our Efficiency Strategy to ensure it remains focussed and stretching.
- Expand our benchmarking so we can compare our business support functions, particularly HR and Finance, against other industries.

STATEMENT ON INTERNAL CONTROLS ASSURANCE

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

Internal Controls Assurance Framework

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

- Corporate Governance oversight through the Board and Committee structure.
- Best practice internal controls embedded in Group policies and procedures.
- Independent assurance through Internal and External audit and the regulatory regime.
- Performance monitoring of the control environment both financial and operational.
- Continuous risk assessment and active management of business risks.

CORPORATE GOVERNANCE

Policy for admitting new shareholder

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

People we support are not represented on the Board or subsidiary boards. However, there continues to be a strong connection through the regional "Everybody Counts" meetings with people who use the Group's services. From these meetings, a Council of the people we support has been formed to advise and give direct feedback to the Board. We help our Council to have a voice within the organisation, with our Board, Executive Team and Leadership Group. In addition we support them to identify and grasp opportunities to have their voice heard outside Dimensions with opinion formers and other key players in our sector.

Board members' interest in shares

All elected members of the Board who held office at 31 March 2014 had an interest of one ordinary £1 share in the shares of Dimensions (UK) Limited at the beginning (or date of appointment if later) and end of the financial year. The shares are non-equity and provide no financial return under any circumstances. The Chief Executive holds no interest in the Group's share capital.

Code of governance

The Board fully supports the National Housing Federation Excellence in Governance Code for members published in 2012 and maintains an appropriate system of corporate and financial controls consistent with the requirements of the Code.

Composition of the Board and key roles

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

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

The Board has recently carried out an audit of the skills, qualities and experience it requires. The following areas were identified as being of particular importance and the Board seeks to ensure that these are appropriately covered:

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

Shared responsibility

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

Meetings of the Board

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

	Board (6 meetings)	Group Audit Committee (3 meetings)	Human Resources Committee (3 meetings)	Finance & Resources Committee (5 meetings)	Quality & Practice (4 meetings)
Geoff Rose (Chair) *	2		2		
Alan Teague *	1	1		1	
Nigel Pink *	1				2
Helen Baker (Chair)	6		1	5	
Margaret Attwood	4		3		
Anne Barnard (D. Chair)	6		3	5	
Christine Cryne	6		2		2
Ros Goldfarb **	4	2			
Kevin Lewis	6				4
Jonathan Mason	4	3			
Calum Mercer	5	3		5	
Sue Kirkman (co-optee)+	5				4
Steve Inch (co-optee)++	5			5	4
Steve Scown (co-optee)	5	2	3	5	

*Retired 12 September 2013, **Retired 1 May 2013
+Chair of the Family Forum, ++Co-Chair of Council

Group Audit Committee - The Committee consists of at least three Non-Executive Directors, two of whom constitute a quorum. Alan Teague chaired the Committee until July 2013 when Jonny Mason took over as Chairman. The purpose of the Committee is to ensure that an effective system of internal and external controls operates in the Dimensions Group, covering risk management, fraud and ethics, financial reporting, legislation, regulatory requirements and the internal and external audit functions.

Human Resources Committee - The Committee (formerly the Remuneration and Appraisals Committee) consists of at least four Non-Executive Directors, one of whom is the Chair of Dimensions. Two Non-Executive Directors constitute a quorum. The Committee is chaired by Margaret Attwood. Its purpose is to take a corporate overview of Dimensions Human Resources strategy, ensuring effective contribution to organisational performance and to assist the Board in the task of remunerating executive and non-executive directors.

Finance and Resources Committee - The Committee consists of at least three Non-Executive Directors, two of whom constitute a quorum. The Committee was chaired by Anne Barnard during the year. The purpose of the Committee is to ensure that a detailed review of performance in relation to the finances and resourcing of Dimensions and all of its subsidiaries is undertaken on a regular basis.

Quality and Practice Committee - The Committee consists of at least four Non-Executive Directors, including the co-opted representatives of the Family Forum and Council. Three Non-Executive Directors constitute a quorum. Nigel Pink chaired the Committee until August 2013 when Christine Cryne took over as chair.

The Boards of Waymarks Limited and Outreach 3 Way Limited each met at least three times in the year.

INTERNAL CONTROLS

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

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

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

INDEPENDENT ASSURANCE

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

As part of their duties, the internal auditors carry out independent checks on the control process on behalf of the organisation and submit regular reports that include independent opinion on the adequacy and effectiveness of the organisation's system of internal controls assurance together with recommendations and proposals for improvement. An objective assessment is made on the effectiveness of the overall framework of internal controls and whether this is appropriate to the organisation and embedded. The BDO assessment for 2013/14 was positive.

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

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

PERFORMANCE MONITORING

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

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

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

RISK MANAGEMENT

The Group's Risk Panel met four times during the year to evaluate newly identified risks and to review the existing highly ranked risks. The functional Committees, which are a central part of our governance and oversight, also review the risk map and consider the overall resilience of the organisation.

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

The Board has a current strategy and policy on fraud covering its prevention and detection. The Group Audit Committee monitors instances of fraud and produces an annual report that includes details of any reportable fraudulent activity in the period. In the year there were 11 instances (2013: 11) of fraud with an aggregate unrecovered value of £6,000 (2013: £17,000). Where the fraud affected the people we support, they have been fully reimbursed for their loss. The necessary action has been taken to deal with the control points identified.

LEGAL AND ADMINISTRATIVE DETAILS

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

EMPLOYEES

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

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

REVIEW OF THE BUSINESS

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

DIRECTORS

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

GOING CONCERN

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

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

APPOINTMENT OF AUDITOR

KPMG LLP were appointed on 4 December 2013 as the Group's auditor and a resolution for the re-appointment of the KPMG LLP will be proposed at the forthcoming Annual General Meeting.

STATEMENT OF THE BOARD'S RESPONSIBILIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS

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

Industrial and Provident Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the surplus or deficit for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Association will continue in business.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2003 and the Industrial and Provident Societies (Group Accounts) Regulations 1969, and the Accounting Direction for Private Registered Providers of Social Housing 2012. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

This report was approved by the Board of Dimensions (UK) Limited on 30 July 2014 and signed on its behalf by:

Jackie Fletcher
Secretary

KPMG LLP

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

We have audited the financial statements of Dimensions (UK) Limited for the year ended 31 March 2014 which comprise the Group and Association Income and Expenditure Account, the Group Statement of Total Recognised Surpluses and Deficits, the Group and Association Balance Sheet, the Group Cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with section 128 of the Housing and Regeneration Act 2008 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the association'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 association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditor

As more fully explained in the Statement of Board's Responsibilities set out on page 18, the association's Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the Group and Association as at 31 March 2014 and of the Group and Association's surplus for the year then ended; and

- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2003 and the Industrial and Provident Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2003 and the Industrial and Provident Societies (Group Accounts) Regulations 1969 require us to report to you if, in our opinion:

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

Chris Wilson
For and on behalf of KPMG LLP, statutory auditor
Chartered Accountants.
Arlington Business Park
Theale
Reading
RG7 4SD
31 July 2014

DIMENSIONS (UK) LIMITED
INCOME AND EXPENDTIRUE ACCOUNTS for the year ended 31 March 2014

	Notes	GROUP		PARENT	
		2014	2013	2014	2013
		£'000	£'000	£'000	£'000
Turnover	1,2	116,290	121,268	109,796	114,626
Operating costs		(112,511)	(120,316)	(106,014)	(113,673)
Operating surplus	2	3,779	952	3,782	953
Surplus on disposal of assets	6	182	(23)	185	(20)
Interest receivable and similar income	7	37	46	37	46
Amounts written off investments	9	-	(20)	-	(20)
Interest payable and similar charges	8	(62)	(230)	(236)	(165)
Surplus for the year	9	3,936	725	3,768	794

All activities are classed as continuing.

DIMENSIONS (UK) LIMITED
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
for the year ended 31 March 2014

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Surplus for the year	3,936	725	3,768	794
Actuarial (loss)/gain recognised on pension schemes	(413)	21	(413)	21
Total recognised surplus for the year	3,523	746	3,355	815

DIMENSIONS (UK) LIMITED
BALANCE SHEETS
As at 31 March 2014

	Notes	GROUP 2014 £'000	GROUP 2013 £'000	PARENT 2014 £'000	PARENT 2013 £'000
Fixed Assets					
Housing properties – cost less depreciation	12	28,725	29,379	28,725	29,379
Social Housing Grant	12	(19,603)	(19,877)	(19,603)	(19,877)
Other capital grants	12	(4,888)	(5,100)	(4,888)	(5,100)
Total housing fixed assets		4,234	4,402	4,234	4,402
Other fixed assets	13	4,681	4,730	2,314	2,357
		8,915	9,132	6,548	6,759
Current assets					
Debtors	14	12,978	12,535	12,855	12,404
Cash at bank and in hand		14,948	10,411	14,218	9,845
		27,926	22,946	27,073	22,249
Creditors: amounts due within one year	15	(15,022)	(15,386)	(14,487)	(14,882)
Net current assets		12,904	7,560	12,586	7,367
Total assets less current liabilities		21,819	16,692	19,134	14,126
Creditors: amounts falling due after more than one year	17	2,125	786	1,388	-
Pension liability	25	5,197	4,932	5,197	4,932
Capital and reserves					
Non – equity share capital	18	-	-	-	-
Restricted reserves	20	897	1,215	878	1,196
Income and expenditure account	21	13,600	9,759	11,671	7,998
		14,497	10,974	12,549	9,194
		21,819	16,692	19,134	14,126

These financial statements were approved by the Board of Management on 30 July 2014 and were signed on its behalf by:

Helen Baker
Chair

Jonny Mason
Board Member

Jackie Fletcher
Secretary

DIMENSIONS (UK) LIMITED
CONSOLIDATED GROUP CASH FLOW STATEMENT
for the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	26	5,528	409
Returns on investments and servicing of finance			
Interest received		37	40
Interest paid		(19)	(67)
Net cash inflow from returns on investments and servicing of finance		18	(27)
Capital expenditure			
Acquisition and construction of housing properties		(21)	(24)
Payments to acquire other tangible fixed assets		(977)	(1,380)
Payment of incidental selling cost of housing properties		-	(37)
Receipt from sale of fixed asset investments		-	1,843
Receipts from sale of housing properties		2	1,351
Receipts from sale of other fixed assets		36	8
Net grants repaid		-	-
Net cash (outflow)/inflow from investing activities		(960)	1,761
Acquisitions and disposals			
Cash balances acquired with subsidiaries net of consideration paid		-	-
Net cash inflow from acquisitions and disposals		-	-
Net cash inflow before financing		4,586	2,143
Financing			
Loans repaid		(49)	(46)
Net cash outflow from financing		(49)	(46)
Increase in cash	27	4,537	2,097

1 **Accounting policies**

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

Basis of preparation

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Registered Social Housing Providers 2010" (the "SORP"), and applicable financial reporting standards, under the historical cost accounting convention and in accordance with the Accounting Direction for Private Registered Providers Social Housing 2012 ("the Direction").

Group structure and basis of consolidation

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

- Outreach 3 Way Limited,
- Waymarks Limited,
- Dimensions Agency Support Limited (Dormant company) and
- Systems for Care Limited (Dormant company)

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

Turnover

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

Income from Supporting People and support services

Supporting People contract income and income from charges for support services are recognised when receivable and included in turnover. Charges for support services, if the services are provided within the tenancy agreement, are shown as 'Charges for support services'. Where support is provided under a contract separate from the tenancy agreement the related income is shown under 'Supporting People'.

Management costs

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

1 **Accounting policies (continued)**

Apportionment of direct employee, administration and operating expenditure

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

Fixed assets and depreciation

Tangible fixed assets are stated at cost less capital grants and depreciation. Depreciation has been provided at the following annual rates and is charged over the expected economic useful lives as follows:

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

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

Housing properties are stated at cost less Social Housing Grant and other capital grants of a similar nature. The cost of the properties includes land and buildings, direct development costs and interest costs incurred during the development period.

The Group has not adopted component accounting as required under the SORP. Any adjustments that would arise on applying component accounting would be immaterial.

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

Impairment

Housing properties are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write-down is charged to operating surplus.

Social housing grant and recycled capital grant fund

Where developments have been financed wholly or partly by Social Housing Grant (SHG), the cost of these developments has been reduced by the amount of grant received. SHG received in respect of revenue expenditure is included in the income and expenditure account in the accounting period to which the expenditure relates. Where SHG becomes repayable following the sale of a property it is credited to the recycled capital grant fund included in the balance sheet creditors.

1 **Accounting policies (continued)**

Accounting for goodwill

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

Bank accounts of people we support

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

Restricted reserves

Donations to an Amenity Fund are retained in a restricted reserve for use by a specified service only.

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

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

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

Pension costs

The Group participates in the National Health Service multi-employer defined benefit pension scheme where it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis, and therefore, as required by Financial Reporting Standard 17 "Retirement Benefits" (FRS17), accounts for the scheme as if it were a defined contribution scheme. As a result the amounts charged to the income and expenditure account represent the contributions payable to the scheme in respect of the accounting period.

The Group also participated in the Social Housing Pension Scheme administered by the Pension Trust. The pension scheme is a multi-employer defined benefit scheme, accounted for as defined contribution under FRS17. The net present value of the best estimate of additional contributions specified by the Pension Trust to meet the Group's share of the scheme deficit is recognised as a provision with movements in the estimate reflected as a cost in the period.

1 **Accounting policies (continued)**

The Group also participates in The Royal County of Berkshire Pension Fund and the Teesside Pension Fund. These pension schemes provide benefits based on final pensionable earnings. The Group is able to identify its share of the underlying assets and liabilities of these schemes and accordingly the pension costs relating to the schemes are accounted for in accordance with the full requirements of FRS17. Current service costs and net finance returns are included in the income and expenditure account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

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

Managing agents

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

Leases

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

Revenue and capital grants

Revenue grants are credited to the income and expenditure account to the extent that related expenditure has been incurred. Capital grants are deducted from the asset cost purchased with grant.

Related party transactions

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

Works to existing housing properties

Improvements to housing properties are capitalised where it can be shown there is an enhancement of economic benefit to the Group from the asset, resulting in an increase in the net rental stream over the life of the property. Where the works are either repairs or replacement with no additional financial benefit to the Group, the costs are charged to the income and expenditure account.

2 Particulars of turnover, operating costs, and operating surplus

GROUP	2014 Turnover £'000	2014 Operating costs £'000	2014 Operating surplus £'000	2013 Turnover £'000	2013 Operating costs £'000	2013 Operating surplus / (deficit) £'000
Social housing lettings (note 3(a))	2,522	(2,163)	359	2,398	(2,140)	258
Other social housing activities:						
Charges for support services (note 3(b))	113,768	(110,348)	3,420	118,080	(117,152)	928
Sub-total	116,290	(112,511)	3,779	120,478	(119,292)	1,186
Non-social housing activities	-	-	-	790	(1,024)	(234)
Total	116,290	(112,511)	3,779	121,268	(120,316)	952

PARENT	2014 Turnover £'000	2014 Operating costs £'000	2014 Operating surplus £'000	2013 Turnover £'000	2013 Operating costs £'000	2013 Operating surplus / (deficit)) £'000
Social housing lettings (note 3(a))	2,522	(2,163)	359	2,398	(2,140)	258
Other social housing activities:						
Charges for support services (note 3(b))	107,274	(103,851)	3,423	112,228	(111,295)	933
Sub-total	109,796	(106,014)	3,782	114,626	(113,435)	1,191
Non-social housing activities	-	-	-	-	(238)	(238)
Total	109,796	(106,014)	3,782	114,626	(113,673)	953

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

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Income				
Rents receivable*	562	480	562	480
Service income	335	257	335	257
Charges to Managing Agents	1,625	1,661	1,625	1,661
Total income from social housing lettings	2,522	2,398	2,522	2,398
Expenditure				
Management	654	599	654	599
Services	160	176	160	176
Routine maintenance	358	525	358	525
Planned maintenance	447	491	447	491
Major repairs expenditure	181	260	181	260
Payments to agents	178	134	178	134
Depreciation of housing properties	111	120	111	120
Impairment of housing properties	74	-	74	-
Release of impairment provision	-	(165)	-	(165)
Operating costs on social housing lettings	2,163	2,140	2,163	2,140
Operating surplus from lettings	359	258	359	258

*Rents receivable are stated after deducting £83,000 (2013: £63,000) for void losses.

All income and expenditure relates to supported housing and housing for older people.

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

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Grants	99,297	101,422	94,518	98,171
Charges for support services	5,501	5,411	5,169	5,162
Supporting People	3,522	6,484	3,417	5,007
Other	5,448	4,763	4,170	3,888
Total income from social care	113,768	118,080	107,274	112,228
Expenditure on social care				
Management	101,867	108,805	96,188	103,616
Services	6,465	6,602	5,837	6,101
Maintenance	1,045	943	954	817
Depreciation	927	805	872	761
Impairment provision / (release)	44	(3)	-	-
Total expenditure on social care	110,348	117,152	103,851	111,295
Operating surplus on social care	3,420	928	3,423	933

4 **Directors emoluments**

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

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Non-executive directors	102	84	102	84
Executive staff members	783	815	783	815
	885	899	885	899

Retirement benefits accrued to three directors, including the Chief Executive, under a defined benefit scheme. The Chief Executive is an ordinary member of the Social Housing Pension Scheme and no enhanced or special terms are applied.

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

	£'000	**£'000**	**£'000**	**£'000**
Emoluments	152	143	152	143

5 Staff numbers and costs

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

	GROUP		PARENT	
	2014	2013	2014	2013
	No.	No.	No.	No.
Care staff	3,496	3,764	3,327	3,590
Administration	245	271	237	261
	3,741	4,035	3,564	3,851

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

	GROUP		PARENT	
	2014	2013	2014	2013
	No.	No.	No.	No.
£60,000 to £69,999	1	1	1	1
£70,000 to £79,999	-	1	-	1
£80,000 to £89,999	-	-	-	-
£90,000 to £99,999	3	3	3	3
£100,000 to £109,999	1	1	1	1
£110,000 to £119,999	1	1	1	1
£140,000 to £149,999	-	1	-	1
£150,000 to £159,999	1	-	1	-

Staff costs	GROUP		PARENT	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Wages and salaries	77,440	83,137	73,450	78,613
Social security costs	5,905	6,420	5,586	6,083
Pension costs	1,492	1,460	1,464	1,426
	84,837	91,017	80,500	86,122

6 Surplus on disposal of fixed assets

	GROUP		PARENT	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Proceeds from disposal of housing properties	2	1,351	2	1,351
Cost of sales	(4)	(1,329)	(4)	(1,329)
Incidental selling costs	-	(37)	-	(37)
Adjustment to grant repayable	202	-	202	-
Surplus/(deficit) on disposal of housing properties	200	(15)	200	(15)
Surplus/(deficit) on disposal of other fixed assets	(18)	(8)	(15)	(5)
Surplus/(deficit) for the year	182	(23)	185	(20)

7 Interest receivable and similar income

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Bank interest	37	46	37	46

8 Interest payable and similar charges

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Finance cost on pension scheme	236	165	236	165
Bank loans	(174)	65	-	-
	62	230	236	165

Interest payable on bank loans has been reduced by a £233,000 (2013: £nil) refund of interest paid in respect of interest rate swaps cancelled in the year.

9 Surplus for the year

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
The surplus for the year is stated after charging/(crediting):				
Depreciation and impairment:				
Housing properties	111	120	111	120
Impairment of housing properties	74	-	74	-
Impairment provision /(released)	44	(168)	-	(165)
Other fixed assets	927	823	872	761
Write down in value of fixed asset investment	-	20	-	20
Auditors' remuneration:				
Audit	63	82	59	70
Non-audit services	-	2	-	2
Operating leases rental	2,318	2,299	2,154	2,080

10 Taxation status

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

11 Intra group transactions

The subsidiaries of Dimensions (UK) Limited are non-regulated entities within the Group. Each subsidiary bears its direct employee, administration and operating costs. Central overhead costs are apportioned to the parent and subsidiaries based on the total direct costs of providing social housing and other activities in each entity. The costs apportioned to Waymarks Limited are capped at £25,000 reflecting the different nature of that organisation and the more limited support it receives from central overhead departments.

Costs apportioned to non-regulated entities were as follows;

	2014 £'000	2013 £'000
Outreach 3 Way	313	319
Waymarks Limited	25	25

12 Housing properties

GROUP & PARENT

	Housing properties available for letting £'000
Cost	
At 1 April 2013	31,250
Additions	21
Disposals	(491)
At 31 March 2014	30,780
Social Housing Grant	
At 1 April 2013	19,877
Additions	-
Disposals	(274)
At 31 March 2014	19,603
Other Capital Grants	
At 1 April 2013	5,100
Additions	-
Disposals	(212)
At 31 March 2014	4,888
Depreciation and impairment	
At 1 April 2013	1,871
Depreciation charged during the year	111
Impairment charge	74
Release of impairment provision	-
Disposals	(1)
At 31 March 2014	2,055
Net book value	
At 31 March 2014	4,234
Net book value	
At 31 March 2013	4,402

12 Housing properties (continued)

	2014	2013
	£'000	£'000
Housing property costs comprise:		
Freeholds	25,547	26,011
Long leaseholds	3,961	3,961
Short leaseholds	1,272	1,278
	30,780	31,250

Expenditure on works to existing properties comprises the following:	£'000	£'000
Total capitalised costs in respect of existing properties	21	24
Costs charged to income and expenditure account	181	260
Total costs in year incurred on existing properties	202	284

Impairment provisions of £74,000 (2012: £nil) were made in the year to reduce the carrying value of certain housing properties to their value-in-use, being the estimated recoverable amount.

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

13 **Tangible fixed assets**

a) **Other fixed assets GROUP**

	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Dilapidation of leasehold premises £'000	Total £'000
Cost					
At 1 April 2013	3,790	4,585	1,603	180	10,158
Additions	117	781	105	-	1,003
Disposals	(6)	(1,762)	(606)	(20)	(2,394)
At 31 March 2014	3,901	3,604	1,102	160	8,767
Capital Grants					
As at 1 April 2013	-	-	48	-	48
Additions	-	-	26	-	26
At 31 March 2014	-	-	74	-	74
Depreciation					
At 1 April 2013	1,053	2,792	1,361	174	5,380
Charged during the year	52	801	70	4	927
Impairment charge	44	-	-	-	44
Disposals	(4)	(1,749)	(568)	(18)	(2,339)
At 31 March 2014	1,145	1,844	863	160	4,012
Net book value					
At 31 March 2014	2,756	1,760	165	-	4,681
Net book value					
At 31 March 2013	2,737	1,793	194	6	4,730

13 **Tangible fixed assets (continued)**

b) **Other fixed assets PARENT**

	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Dilapidation of leasehold premises £'000	Total £'000
Cost					
At 1 April 2013	441	4,528	1,457	180	6,606
Additions	13	781	105	-	899
Disposals	(6)	(1,762)	(590)	(20)	(2,378)
At 31 March 2014	448	3,547	972	160	5,127
Capital Grants					
As at 1 April 2013	-	-	48	-	48
Additions	-	-	26	-	26
At 31 March 2014	-	-	74	-	74
Depreciation					
As at 1 April 2013	44	2,736	1,247	174	4,201
Charge for year	6	800	62	4	872
Disposals	(4)	(1,750)	(562)	(18)	(2,334)
At 31 March 2014	46	1,786	747	160	2,739
Net book value					
At 31 March 2014	402	1,761	151	-	2,314
Net book value					
At 31 March 2013	397	1,792	162	6	2,357

14 **Debtors**

	GROUP 2014 £'000	GROUP 2013 £'000	PARENT 2014 £'000	PARENT 2013 £'000
Rental debtors	169	167	166	167
Less: provision for bad debts	(64)	(59)	(63)	(59)
	105	108	103	108
Trade debtors	8,376	9,167	7,955	8,568
Prepayments and accrued income	4,497	3,260	3,969	3,063
Amounts owed by subsidiaries	-	-	828	665
	12,978	12,535	12,855	12,404

15 **Creditors**: amounts falling due within one year

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans	45	41	-	-
Trade creditors	1,321	1,242	1,264	1,182
Rent paid in advance	197	223	197	223
Other creditors	1,014	1,342	968	1,313
Taxation and social security costs	1,622	2,311	1,544	2,217
Accruals and deferred income	10,128	7,946	9,819	7,666
Recycled capital grant fund (note 16)	695	2,281	695	2,281
	15,022	15,386	14,487	14,882

16 **Recycled capital grant fund**

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£ '000	**£ '000**	**£ '000**	**£ '000**
At 1 April	2,281	1,175	2,281	1,175
Grants recycled	-	1,102		1,102
Interest accrued	5	4	5	4
Reduction on repayment of grant to Homes and Communities Agency	(203)	-	(203)	-
Balance at 31 March	2,083	2,281	2,083	2,281
Amount due for repayment to Homes and Communities Agency	695	2,281	695	2,281

17 **Creditors**: amounts falling due after more than one year

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans	737	786	-	-
Recycled capital grant fund (note 16)	1,388	-	1,388	-
	2,125	786	1,388	-

The merger with Outreach 3 Way has given the Group three mortgages taken out in order to secure quality accommodation for the people we support:

The first loan relates to a mortgage held with NatWest bank on the Cherrymead residential care home. The loan (originally £585,000) was taken out on 14 October 2004 at a standard variable rate over 20 years at 1.39% over base rate. The balance on the main Outreach 3 Way bank account is offset against the loan account for interest charging purposes.

The second loan relates to a mortgage held on a shared home in Clifton Road, Littlehampton, with NatWest bank. The loan (originally £335,000) was taken out on 11 February 2008 at a standard variable rate over 20 years at 1.25% over base rate. The value of the property is reflected in fixed assets.

The third loan relates to a mortgage held on a flat in Ripley Road, Worthing, with NatWest bank. The loan (originally £158,500) was taken out on 9th September 2008 at a standard variable rate over 20 years at 1.25% over base rate.

Outreach 3 Way had entered into interest rate swaps on each property matching the terms of the mortgages. These swaps were cancelled by the bank following a review of the compliance of the sales of these products with the standards agreed with the Financial Conduct Authority and interest of £233,000 (2013: £nil) is repayable.

Bank loans and recycled capital grant funds are repayable in instalments due as follows:

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
In one year or less (note 15)	740	2,322	695	2,281
Between one and two years	530	41	485	-
Between two and five years	1,038	123	903	-
In five years or more	557	622	-	-
	2,865	3,108	2,083	2,281

18 **Non – equity share capital**

Allotted, issued and fully paid	**PARENT 2014 £**	**2013 £**
Ordinary shares of £1 each at 1 April	20	34
New shares	1	4
Cancellations	-	(18)
Ordinary shares of £1 each at 31 March	21	20

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

19 **Revaluation reserves – GROUP AND PARENT**

	Investment revaluation reserve	
	2014 £'000	**2013 £'000**
At 1 April	-	88
Unrealised loss on investments to Income and Expenditure account	-	(20)
Transferred to Income and Expenditure account	-	(68)
At 31 March	-	-

20 **Restricted reserves**

	At 1 April 2013 £'000	Transfer (to)/from income and expenditure account **£'000**	**At 31 March 2014 £'000**
Amenity Fund for respite care	15	-	15
Reserve related to Hollow Lane	410	-	410
Assets tied to autism related service	709	(321)	388
Reserves related to restricted funds	62	3	65
PARENT	1,196	(318)	878
Reserve related to O3W	19	-	19
GROUP	1,215	(318)	897

21 Income and expenditure account

	GROUP		PARENT	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Balance brought forward	9,759	8,907	7,998	7,081
Surplus for the year	3,936	725	3,768	794
Transfer from revaluation reserve	-	88	-	88
Transfers from restricted reserves	318	18	318	14
Actuarial (loss)/gain on pension schemes	(413)	21	(413)	21
Balance carried forward	13,600	9,759	11,671	7,998
Income and expenditure account excluding pension liability	18,797	14,691	16,868	12,930
Pension liability	(5,197)	(4,932)	(5,197)	(4,932)
Income and expenditure account after including pensions liability	13,600	9,759	11,671	7,998

22 Financial commitments

There were no capital commitments as at 31 March 2014 (2013: £nil).

23 Operating lease commitments

At 31 March 2014 the Group had annual commitments under operating leases as follows:

	Land & buildings		Other	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
For leases expiring:				
Within one year	175	146	486	515
Between two and five years	1,094	615	540	558
Over five years	112	125	-	-
	1,381	886	1,026	1,073

24 Social Housing Units/Bed spaces

	2014	**2013**
	No.	**No.**
Under management at the end of the year:		
Agency managed	571	574
Directly managed	404	450
	975	1,024

25 **Pension liability**

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

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

	GROUP		**PARENT**	
	2014	**2013**	**2014**	**2013**
	£'000	**£'000**	**£'000**	**£'000**
Social Housing Pension Scheme	3,609	3,830	3,609	3,830
Royal County of Berkshire Pension Fund	1,563	1,102	1,563	1,102
Teesside Pension Fund	25	-	25	-
	5,197	4,932	5,197	4,932

The People's Pension

The People's Pension is the qualifying workplace pension scheme used by Dimensions for auto-enrolment. The employer's contribution is currently 1% of qualifying earnings and this will rise to 3% in 2017/18. The total charge to the Group for the year was £100,000 (2013: £Nil).

As at 31 March 2014, 3,215 employees (2013: Nil) were enrolled in the scheme.

Standard Life Money Purchase Scheme

Group employees at the level of Locality Manager and above have access to a Standard Life money purchase scheme. Members of this scheme are required to make a minimum contribution of 3%. The employer's contribution ranges from 5% to 8%. The total charge to the Group for the year was £458,000 (2013: £419,000).

As at 31 March 2014, 399 employees (2013: 392) were members of the Standard Life Money Purchase Pension Scheme.

NHS Pension Scheme (NHSPS)

The NHSPS is an unfunded, defined benefit scheme and contributions to the scheme are determined by the Secretary of State on the advice of the Government Actuary. The most recent actuarial valuation for the scheme was for the period 1999-2004. This showed that at 31 March 2004 the scheme had a notional deficit of £3.3 billion.

The scheme is a multi-employer scheme and the disclosures relating to Dimensions (UK) Limited's share of the pension surplus or deficit, are not required by FRS17. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the income and expenditure account charge for the period in respect of this scheme is derived from the employer contribution payable. During the year ended 31 March 2014, the employer's rate of contribution was paid at the rate recommended by the Actuary of 14%. The employees' contributions were mostly 5%, with some employees contributing 6.5%. The total charge to the Group for the year was £548,000 (2013: £733,000). As at 31 March 2014, 276 employees (2013: 352) were members of the NHSPS.

25 **Pension liability (continued)**

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the scheme actuary as at the balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Business Services Authority website. Copies can also be obtained from The Stationery Office.

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

Social Housing Pension Scheme

Dimensions participates in the Social Housing Pension Scheme (SHPS). The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to 31 March 2007. From April 2007 the employer operated a career average re-valued earnings (CARE) scheme with a 1/80th accrual rate. These SHPS schemes are multi-employer defined benefit schemes. They are funded and contracted out of the state scheme.

During the accounting period Dimensions paid contributions at the rate of 15.3%. Member contributions varied between 4.7% and 6.7% depending on their age. At 31 March 2014, 70 employees (2013: 77) were members of SHPS.

From 1 April 2014, Dimensions no longer participates in the CARE scheme and active members were offered membership of the SHPS Defined Contribution (DC) scheme at an employer contribution rate of 8.5% and a minimum employee contribution rate of 3%. The Scheme is closed to new members.

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

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a further shortfall of assets compared with the value of liabilities of £1,055 million (September 2008: £663 million), equivalent to a past service funding level of 67%. As a consequence of the increased deficit, employers pay additional deficit contributions from 1 April 2014 on a share of liability basis. The total estimated net present value of the additional contributions for Dimensions is now £3,609,000.

The actuaries to the scheme, HSBC, estimate that only a relatively small increase in funding rates are necessary to meet future benefits. However, the additional costs to fund the past deficits identified are £435,000 per annum (including £305,000 increasing by 4.7% per annum) to September 2020 with further additional contributions for the three subsequent years.

The total charge to Dimensions for the year in respect of current service was £191,000 (2013: £221,000).

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25 **Pension liability (continued)**

Royal County of Berkshire Pension Fund

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

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

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

The most recent formal actuarial valuation of the scheme at 31 March 2014 showed that the actuarial value of the scheme's assets do not cover the accrued liabilities based on estimated fund pensionable salaries at retirement to the extent of £1,563,000 (2013: £1,102,000). Dimensions has provided for this by holding a provision calculated under the accounting rules set out in the Financial Reporting Standard 17 "Retirement benefits" (FRS17).

During the year ended 31 March 2014, the employer's rate of contribution was paid at the rate recommended by the Actuary of 17.6%. The employees' contribution is 6.5%. The contribution paid by Dimensions during the year was £23,000 (2013: £32,000). At 31 March 2014, 8 employees (2013: 10) were members of the Royal County of Berkshire Pension Fund.

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

The disclosures required by FRS17 are as follows:

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

	2014	**2013**	**2012**
	% pa	% pa	% pa
Increases in salaries	4.70	4.55	4.45
Increases in pensions and deferred pensions	2.9	2.6	2.5
Discount rate	4.5	4.6	4.6
Consumer price inflation	2.9	2.6	2.5

The assets in the scheme were:

	Actual asset allocation 2014	**Actual asset allocation 2013**
Equities	42.0%	41.0%
Gilts	1.0%	1.0%
Other bonds	16.0%	21.0%
Property	12.0%	10.0%
Cash	2.0%	0.0%
Target Return	18.0%	0.0%
Commodities	9.0%	0.0%
Alternative assets	0.0%	27.0%
	100.0%	100.0%

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

25 **Pension liability (continued)**

The amounts recognised in the financial statements under FRS17 are as follows:

Balance sheet disclosure

	2014 £'000	2013 £'000	2012 £'000
Present value of funded obligation	3,504	2,929	2,760
Fair value of scheme assets (bid value)	(1,941)	(1,827)	(1,692)
Net liability in balance sheet	1,563	1,102	1,068

Analysis of the amount charged to operating surplus

	2014 £'000	2013 £'000
Current service cost	35	46
Past service cost	-	-
Total operating charge	35	46

Analysis of the amount charged to other finance income

	2014 £'000	2013 £'000
Expected return on employer share of assets	95	91
Interest on pension scheme liabilities	(133)	(125)
Net return	(38)	(34)

Analysis of amount recognised in statement of total recognised surpluses and deficits

	2014 £'000	2013 £'000	2012 £'000
Actual return less expected return on pension scheme assets	(43)	86	(109)
Experience (losses)	(267)	-	-
Changes in financial assumptions underlying the present value of the scheme liabilities	(103)	(73)	(409)
Actuarial gains/ (losses)	(413)	13	(518)

25 **Pension liability (continued)**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	**2014 £'000**	**2013 £'000**
Opening defined benefit obligation	2,929	2,760
Service cost	35	46
Interest cost	133	125
Contributions by scheme participants	9	12
Actuarial losses	475	73
Estimated benefits paid (net of transfers in)	(77)	(87)
Closing defined benefit obligation	3,504	2,929

Reconciliation of opening and closing balances of the fair value of scheme assets	**2014 £'000**	**2013 £'000**
Opening fair value of scheme assets	1,827	1,692
Expected return on scheme assets	95	91
Employer contributions	25	33
Contributions by scheme participants	9	12
Actuarial gains/(losses)	62	86
Estimated benefits paid (net of transfers in)	(77)	(87)
Fair value of scheme assets at end of year	1,941	1,827

Reconciliation of opening and closing surplus	**2014 £'000**	**2013 £'000**
At beginning of the year	(1,102)	(1,068)
Service cost	(35)	(46)
Interest cost	(38)	(34)
Employer contributions	25	33
Actuarial (loss)/gain	(413)	13
Deficit in scheme at end of year	(1,563)	(1,102)

25 **Pension liability (continued)**

Amounts for the current and previous periods	**2014**	**2013**	**2012**	**2011**	**2010**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Defined benefit obligation	(3,504)	(2,929)	(2,760)	(2,352)	(3,366)
Scheme assets	1,941	1,827	1,692	1,828	1,732
Deficit	(1,563)	(1,102)	(1,068)	(524)	(1,634)
Experience adjustments on scheme liabilities	(372)	-	-	388	-
Percentage of liabilities	(10.6%)	-	-	16.5%	-
Experience adjustments on scheme assets	62	86	(109)	23	344
Percentage of assets	3.2%	4.7%	(6.4%)	1.3%	19.9%
Cumulative actuarial (loss) / gain	(692)	(279)	(292)	226	(603)

Teesside Pension Fund

Dimensions participated in the Teesside Pension Fund, part of the Local Government Pension Scheme, until the last active member retired in March 2014. The scheme provides benefits to employees based upon final pensionable earnings. No new members are admitted to this scheme.

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

The employer's contributions to the scheme were charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives. Qualified actuaries, on the basis of valuations using the projected unit method, determined the contributions.

The actuarial valuation of the scheme at 31 March 2014 showed that the scheme's assets exceeded the accrued liabilities on a funded basis to the extent of £16,000 (2013: £6,000). However, as the last active member has left the scheme, the pension debt has been reassessed on a buy-out basis. This shows a net pension debt of £25,000 and a pension provision for this amount has been made at 31 March 2014. The asset at 31 March 2013 was not recognised.

During the year ended 31 March 2014, the employer's rate of contribution was paid at the rate recommended by the Actuary of 20.20%. The employees' contribution is 6.50%. The contribution paid by Dimensions during the year was £2,000 (2013: £2,000). At 31 March 2014 no employees (2013: one) were members of the Teesside Pension Fund.

The full FRS17 disclosures are not reproduced as the Scheme costs and liabilities are not material to the Group.

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

	GROUP 2014 £'000	GROUP 2013 £'000
Operating surplus	3,779	952
Depreciation and impairment	1,038	943
Release of impairment provision	118	(168)
Pension costs under FRS17	10	(13)
(Increase)/decrease in debtors	(443)	1,729
Increase/(decrease) in creditors	1,026	(3,034)
Net cash inflow operating activities	5,528	409

27 Analysis of changes in net debt

GROUP	At 1 April 2013 £'000	Cash flow £'000	At 31 March 2014 £'000
Cash at bank and in hand	10,411	4,537	14,948
Debt due within one year	(41)	(4)	(45)
Debt due after more than one year	(786)	49	(737)
Total	9,584	4,582	14,166

28 Reconciliation of net cash flow to movement in net funds

	GROUP 2014 £'000	GROUP 2013 £'000
Increase in cash in the year	4,537	2,097
Cash used to repay debt financing	45	41
Change in net funds	4,582	2,138
Net funds at 1 April	9,584	7,446
Net funds at 31 March	14,166	9,584

29 Incorporation

Dimensions (UK) Limited is registered with the Homes and Communities Agency as a Registered Provider of Social Housing, is incorporated under the Industrial and Provident Societies Acts 1965 to 2002 and is registered in England.

30 Related parties

Helen Baker, Chair of the Board, is chair of Charity Works and receives no payment for the role in Charity Works. During the year, Dimensions has paid Charity Works £21,000 (2013: £Nil) to source and employ graduate interns. There is no outstanding transaction at the year-end between two parties.

Dimensions (UK) Limited has supported a son of Susan Kirkman, a board member during the year. There is no financial transaction between the parties as the support has been funded by the Sheffield City Council.