



**Choice Support**  
**(A company limited by guarantee)**  
**Report and Consolidated**  
**Financial Statements**

**For the year ended 31 March 2023**

Company no. 8971493

Charity no. 1156486

<b>Contents</b>	<b>Page</b>
Charity Information	1
Report of the Trustees	2 -18
Report of the Independent Auditors	19-22
Consolidated Statement of Financial Activities	23
Balance Sheet	24
Consolidated Statement of Cash flows	25
Notes to the Financial Statements	26-49

---

## Choice Support

### Board Members and Management Personnel

---

#### **Charity Information - Reference and Administrative Information**

Charity Name: Choice Support  
The charitable company converted to a Community Benefits Society on 1 May 2023. The information below relates to the charitable company up to conversion on 1 May 2023.

Charity registration number: 1156486  
Company registration number: 8971493 England and Wales

Registered Office address: Compass House  
84 Holland Road  
Maidstone  
Kent ME14 1UT

**Board of Trustees:** Oliver Mills (Chairman)  
Peter Hasler  
Chester Manuel  
Babatunde Adewopo  
Tim Coppard  
Naz Asghar  
Shubhangi Karmakar  
Jayne Kilgallen (Appointed 5 April 2023)  
Bob Tindall (Appointed 5 April 2023)  
Alison Hume (Resigned 18 January 2023)  
Chris Dory (Resigned 13<sup>th</sup> April 2022)

**Company Secretary:** Mark Ferry

**Executive Directors:** Sarah Maguire - Chief Executive  
Mark Ferry – Chief People Officer  
Dave Jackson – Chief Operations Officer  
Mel Shad – Chief Business Officer  
David Holt – Chief Housing and Development Officer  
Brendan Smith – Chief Digital and Information Officer  
Ade Orhiere – Chief Finance Officer (appointed on the 1<sup>st</sup> April 2023)

**Auditors:** Moore Kingston Smith LLP  
6 Appold Street  
London  
EC2A 2AP

**Bankers:** National Westminster Bank plc  
2nd Floor  
3 High Street  
Maidstone  
Kent  
ME14 1HJ

**Solicitors:** Russell-Cooke  
2 Putney Hill  
Putney  
London  
SW156AB

## **Report of the Trustees**

### **Structure, Governance and Management**

#### **Structure and Governing Document**

##### **Charitable Community Benefit Society**

During the year 2022, Choice Support submitted its application to become a Charitable Community Benefit Society (CBS). Our conversion to a Charitable CBS was approved by the Financial Conduct Authority (FCA) on the 1<sup>st</sup> of May 2023.

For the financial year 2024, Choice Support will be a charitable Community Benefit Society, registered with the Financial Conduct Authority (Society number: 9045). Being a Charitable CBS provides a much more efficient and less costly forms of governance and regulation, whilst retaining all the advantages of being a charity.

As a result of this conversion, Choice Support will no longer be a registered company or registered charity from the financial year 2023/24. Additionally, our annual accounts will no longer be available publicly at Companies House and the Charity commission. Therefore, we will continue to publish our accounts on our website every year.

For the current year under review Choice Support remains a registered company and registered Charity with the following wholly owned subsidiaries.

Byways Trust (company no. 5443145, charity no. 1109825) incorporated in England is a wholly owned subsidiary of Choice Support and is registered as a charity and constituted as a company limited by guarantee. Byways Trust was inactive during the period under review.

Choice Consultancy Services LTD (company no. 2633299) incorporated in England in July 1991 is a private company limited by guarantee without share capital. Choice consultancy services LTD is a wholly owned subsidiary of Choice Support and was inactive during the period under review.

Burgess Autistic Trust (company no. 02572568, charity number 1002023) incorporated in England. Burgess Autistic Trust is a wholly owned subsidiary of Choice Support and has been dormant throughout the year of review and was dissolved 23 August 2022.

The Blue River Project (company no. 02656104, charity number 1029739) incorporated in England also a wholly owned subsidiary of Choice Support was inactive throughout the year of review.

## **Presentation of financial statements**

These financial statements are those of Choice Support, (company registration number 02656104; charity registration number 1029739).

## **Statement of Trustees' responsibilities**

The Trustees (who are also the Directors of Choice Support for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustee liability insurance was in place in both the current and prior financial years.

## **Recruitment and Appointment of Trustees**

Under the requirements of the Memorandum and Articles of Association the Board of Trustees are elected to serve for three years from the date of appointment after which time they will retire. Trustees may be reappointed for two additional terms if desired, and thereafter for further terms under special circumstances as determined by the Board.

All members of the board of Trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Trustees are recruited following advertising or using recruitment agencies. The interview process establishes trustee suitability and skills and experience to provide a balanced range of skills on the board and includes valuable input from the people we support.

## **Trustee Induction and Training**

All new Trustees receive an induction and have the opportunity to attend external courses relevant to assist them in discharging their responsibilities. Ongoing training is identified from Board review and appraisals, and is delivered internally, at away-days, or by individual trustees attending specific courses relevant to their interests or lead responsibilities.

## **Organisational Structure**

The charity is governed by the Board of Trustees which meets at least four times a year and is supported by a Chief Executive and a team of senior officers to whom the Board delegates the day-to-day management of the charity. The Board and senior officers hold an away-day at least annually to develop strategy and to review governance and management arrangements in more detail. The Board is supported by three committees: Quality and Safeguarding; People and Performance committee, Human Resources; and Finance, Risk and Audit. Designated Board members sit on all these committees, alongside officers and report back to the full Board. In addition, there is a Remuneration committee which is comprised of a the Chair of the Board and the Chairs of the Board Committees and is attended by the Chief Executive and a Nominations Committee that oversees the recruitment of new Trustees. In addition, we also have the following forums that include link trustees in attendance: Health and safety, Our rights group (made up of people we support), Diversity, and inclusion. The safeguarding working group also includes an independent external expert.

## **Charities and Public Benefit**

In shaping our objectives for the year and planning our activities the Trustees have considered the Charity Commission's general guidance on public benefit and fee charging, including its guidance - Public Benefit: Running a charity (PB2).

## **Vision, Values, and purpose**

This past year has seen us strengthen collaborations to support our purpose and vision. We want to create opportunities for happiness for the people we support and our staff. We want to do this in a world where everybody matters, and everybody cares. Our Trustees understand the importance of purpose as part of our overall strategy. One of our Five Strategic Aims is to provide excellent, innovative, co-produced support. Underpinning this has been our work to place decision making and control as close to the people we support as possible. Moving from rhetoric to reality has seen better collaboration between central support and operational teams to make this vision a reality. Moving away from silo working and thinking to more dynamic partnerships has paid big dividends this year.

Our partnership with 'BeHumanKind' has resulted in central teams reporting more effective processes; things get done in smarter ways, people feel equally valued and included, like they belong, and invested in the future of our work. We have worked hard to create a culture of trust and greater autonomy across the organisation by embedding our purpose into everything we do. This has resulted in our staff feeling more empowered. We can see the ways they are valuing each other in kindness and empathy; by being brave; and seeing themselves and the people we support as people first.

## **The focus of our work**

Our work remains focused on those we support and those who support them. This year we have created more opportunities for people and supporters to share learning and celebrate their work as part of More Than A Provider. This is a group of 4 organisations that have signed up to the Social Care Futures Vision - We all want to live in the place we call home with the people and things that we love, in communities where we look out for one another, doing the things that matter to us. We have run a series of gatherings in Manchester, London, and Bristol under the title The Big Connect. Our events brought over 535 people together and aimed to tell a different story about what we do as providers and how people and their supporters see the future of social care. We had over 30 different contributors including people with lived experience, local community groups, social care providers, health bodies and wider sector partners sharing their stories about people and community. We have been building a movement that is based around connections with the communities we live and work in. All the events have been co-produced and have challenged the traditional social care boundaries.

Pushing the traditional boundaries of what we do and how we do it continued across Choice Support this year. We have been working with local teams to think through what more autonomy within teams looks and feels like. We developed a series of 3 of online session workshops that took an in-depth focus on Values, Purpose, and Behaviour. Over 300 staff working in Wakefield, Nottingham and Cheshire took part as a way to explore the changes working more autonomously would mean to them and the people they support. We have introduced new roles to support this process and moved away from a management to coaching style of leadership. Our work is still delivered in line with the law, our

contracts, regulations and Choice Support Policies and Procedures, and reduced the bureaucracy that has been getting in the way of our staff doing their best work. They now have more freedom to support decision making closer to the people they support and create more opportunities for people to live the lives of their choosing.

## **Strategic Report**

### **Strategy and Business Plan**

The Choice Support Strategic and Business Plans were produced and adopted in 2021. The Choice Support Strategic Plan has undergone its 3rd rewrite in 2023 as part of the yearly review of activity. When we produced the plan in 2021, the world was struggling with a global pandemic and our environment and future was uncertain. Since then, we have worked very hard achieve financial stability and sustainability and made significant strides in all areas of our plan.

Significant progress has been made against year 1 and 2 objectives and this places us in a position to be able to step up activity and move priorities forward from year 4 to year 3. We are not complacent; we know that things can change very quickly in the volatile world in which we work. As such, our financial health and sustainability will remain the core focus in year 3.

### **Staff Recruitment and Retention**

Recruitment has been challenging over the last year in a very tight labour market with the result that our use of agency workers has increased significantly.

We are very pleased that we were able to fund 3 pay increases for our lowest paid employees over the course of the year and an additional one off cost of living payment and a modest Christmas bonus. These improvements in pay have been well received and we are now seeing signs that recruitment is improving.

Retention has remained significantly below the average for the industry and despite increasing slightly is now heading back to the previous very low levels.

We are working hard to reduce agency usage and costs.

### **Our People**

We continue to strive to be a good employer and aim to treat our employees in a way that is consistent with our values.

We are proud to have again been accredited as a Great Work Place and Best Workplace.

We are working to become a more purposeful employer that provides opportunities for happiness for the people we support and our employees. We have extended our work on purposeful working with new structures, empowered teams, supported by coach leads in more areas of the country.

We continue to enjoy positive and constructive relation with our 3 recognised Trade Unions: Unison, the GMB and the RCN.

## **Health and Wellbeing**

Choice Support recognises the importance of positive health and wellbeing for all our employees. We recognise the vital role we play in supporting our employees to maintain and improve their health and wellbeing.

We have continued to work to deliver against the targets in our health and wellbeing strategy including: issuing fans and menopause packs to workplaces, training 80% of our managers in mental health first aid and promoting health and wellbeing through our internal communication channels. We have now launched an early pay app to allow employees to access a proportion of their pay before payday, linked to financial education and a savings tool, to help our employees financial wellbeing.

We were very pleased to again be accredited as a Best Workplace for Wellbeing.

## **Equality, Diversity, Inclusion and Belonging (EDIB)**

This year we have consolidated our work on our diversity and inclusion action plan.

Our Diverse Voices (black, Asian and minority ethnic inclusion network) and the LGBTQ+ and allies inclusion network meet monthly to discuss D&I issues and to hear the voices of marginalised groups.

We have made significant progress to improve the representation of black, Asian and minority ethnic employees in junior and middle management positions. We have also achieved our target of reducing the gap between the staff survey results for employees from different backgrounds, meaning that people's experience of working for Choice Support is now more consistent, regardless of their background.

We were very pleased to again be accredited as a Best Workplace for Women and be awarded a bronze award by the Employers Network for Equality and Inclusion following a Talent Inclusion and Diversity evaluation.

## **Employees with disabilities**

We proud to be accredited as a Disability Confident employer and a Mindful Employer.

We have a good record for the employment of people with disabilities with 13.9% of our total workforce describe themselves as having a disability.

## **Learning and Development**

We are committed to investing in the learning and development of our employees to ensure that our workforce has the skills they need to be able to deliver the high-quality services that the people we support deserve to receive.

Training compliance is now at a very good level nationally and we are working to address any remaining local issues.

We currently have 89 employees on an apprenticeship programme and 8 employees successfully completed their apprenticeships during the course of the year. The low completion numbers are partly a legacy of Covid. We are pleased to have again fully utilised our apprenticeship levy with no expired funds.

We are currently supporting people to complete their coaching professional apprenticeship programme, to help support a move to more purposeful ways of working.

We are one of the few organisations that have lead Oliver McGowan trainers and are on track to start roll out. We have trained 15 people we support to become paid experts with lived experience trainers for the Oliver McGowan Project.



## **Transformation**

We continued on the journey of transforming our service delivery by expanding our work into other regions, Notts, Crewe Sheffield. Autonomous working by empowering our local managers closest to the service has yielded positive results, with managers reporting more satisfied colleagues and better working environments.

We continue to ensure that we have processes and systems that promote autonomous working. Working with the **BeHumanKind** we are supporting managers in their pursuit to develop great working and living spaces for colleagues and people we support. However, we are planning to do a stock take of how the process is working and ascertain if there are areas for further development.

Limited funding coming into the sector and cash strapped Local Authorities means we will have to work even harder to ensure our services remain viable and the people we support continue to receive the best quality support. We believe that transforming the way we work will improve our ability to attract and retain people in the years to come.

We have been exploring how we embed our purpose by empowering staff to make service decisions co-produced with the people they support at a local level, whilst supporting them to make their own life decisions. By reducing bureaucracy; empowering managers through coaching training; using resources more flexibly and rolling out a programme focussing on purpose, values, and behaviour we continue to see changes in the way people feel about their work and are delivering better outcomes for the people we support.

## **Plans for future Periods**

The Board of Trustees conducted a comprehensive review of performance against Choice Supports strategic and business plan at the end of the year, and what has changed agreeing new and revised objectives.

The review concluded that the strategic aims remain unchanged:

1. Become financially strong and sustainable
2. Provide excellent, innovative, co-produced support
3. Campaign for positive rights-based change in the lives of people we support
4. Be a good, fair, and responsible employer
5. Develop more services that provide flexible and innovative approaches to support

The plans to ensure financial sustainability for future periods include ensuring that by March 2024 we will no longer run any contracts which do not make a minimum contribution to central costs, and that all new business will make a surplus of at least 2%.

We will focus in the first instance on those statutory sector commissioners who appear least likely to increase funding. This is on the basis that to retain this work for future years with little or no prospect of additional resources will simply result in losing money and will financially weaken the charity.

We will regularly reforecast based on assumptions to reflect what has actually happened as part of the plan's annual performance review and sense-check. This will look at up-lifts in National Living Wage, local authority settlements, inflation and so on. Given the unpredictable and potentially volatile nature of the economy going forward over the next few years, these reforecasts will be particularly important.

We will continue our strategy of moving services into the type of community services capable of supporting people with often very complex needs. Alongside this we will focus on refining community models of delivery to match the needs of local communities and requirements of new Integrated Care Systems with a strong focus on Mental Health support services, employment and non- traditional community-based day solutions for people with Learning Disabilities and Autism.

We will continue innovating to find creative ways to attract and retain staff and keep agency usage levels down, however, we will be realistic about the scale of the challenge and will be prepared for the possibility of increasing staff shortages that may make some services unsustainable.

### **Supporting people outside of hospitals**

Autonomy is closely linked to human rights and another of our Strategic Aims – To campaign for the rights of people with learning disabilities, autism, and mental health. We have approached this in several ways. We have joined the secretariat for a new All Party Parliamentary Group called 'Home not Hospitals'. This will focus on community-based alternatives to inappropriate institutional care. An example of this was our work featured in the NHS Confederation Publication No Wrong Door 2022 featuring a story about George. George is 56, is autistic and has moderate learning disabilities and has been diagnosed with borderline personality disorder. George had spent more than half his life in secure inpatient and institutional-style residential care.

The team at Choice Support spent time getting to know George and learning about his interests and aspirations, so that they could design his new home and support arrangements just for him. He chose furnishings, the colours of his rooms and asked to buy a shed so he could start learning woodworking. A bespoke recruitment process was used to find support staff with similar interests and values, making it easier to build rapport. The new team undertook relevant training, including positive behaviour support.

With more choice and control over his life, a supportive team and an environment that was designed to meet his needs, George's verbally aggressive outbursts have fallen by half and reduced in duration from up to 24 hours to an average of 30 minutes. His diet has improved, he exercises daily, and he has been exploring new interests in cooking, woodworking and owning a guinea pig. We know we can support happy lives in the community and have continued to support NHS and Local Authorities to build bespoke homes using NHS Capital Grant for people leaving hospitals. Building is ongoing in Nottingham and Durham with new projects in the pipeline.

## **Digital Transformation**

In January 2023 the Board of Trustees approved a Digital Transformation Programme (DTP) and the associated investment which will be delivered during the 2023/24 and 2024/25 financial years.

The DTP will establish new ways of working taking the learning from what does and does not work now, how we need to work to support the operational transformation and envisioning how we want to work in the future with our purpose at its core, placing decision making closer to the people we support.

The DTP will deliver digital solutions across the organisation to replace and address many instances of manual, paper-based working (especially with our front-line teams), duplication of entry and effort, gaps in key accessible business information, and systems not sharing information with each other.

A successful DTP will help us establish a modern, resilient, effective organisation with quality business information available to all decision makers.

## **Fundraising**

The Fundraising function across Choice Support was reduced prior to the 2019/20 financial year and at this point we ceased all corporate fundraising activities.

We have again successfully submitted a grant funding bid for our Jigsaw Project from the Kent Police and Crime Commissioner. The grant is for two years until March 2025, with a funding level of £34,398 per year. This longer-term funding will enable the project to develop further in supporting people with learning disabilities, mental health and those who are disadvantaged, who have experienced hate crime.

We do not use professional fundraising agencies or commercial participators to raise funds and we are no longer registered with the Fundraising Regulator.

Our volunteer fundraisers use reputable online giving platforms which give us full access to reports on the funds raised. We have not received any complaints about fundraising but should anyone wish to raise a complaint we would seek to resolve it through our published complaints procedure. We do not currently undertake any direct mailing activity, and we do not fundraise from vulnerable people or anyone who has previously requested not to be contacted by us. We do not share our donor's data with any other party and have not had any complaints regarding our processes and policies in the year.

The Choice Support Privacy Policy, published on our website, clearly state what personal data Choice Support will hold in relation to supported and how this data will be used. Its also sets out how individuals can raise concerns or complaints.

We would like to express our sincere thanks to everyone who has supported us over the year.

## **Section 172**

Section 172 of the UK Companies Act 2006 states that all Trustees must act in accordance with a set of general duties. A Trustee of a charitable organisation must act in the way they consider, in good faith, would most likely promote the success of the charity for the benefit of its stakeholders as a whole, and in doing so have regard (amongst other matters) to the:

- likely consequences of any decisions in the long term;
- interests of the charitable company's employees;
- need to foster the charitable company's business relationships with suppliers, customers and other;
- impact of the charitable company's operations on the community and the environment;
- charitable company's reputation for standards and business conduct; and
- need to act fairly between members of the charitable company

## Suppliers

We value all our suppliers and have local and national contracts, where appropriate. Communication transparency in dealing with suppliers is delegated to the relevant manager who will discuss any major contracts and / or supply issues as and when appropriate.

## Environmental Impact

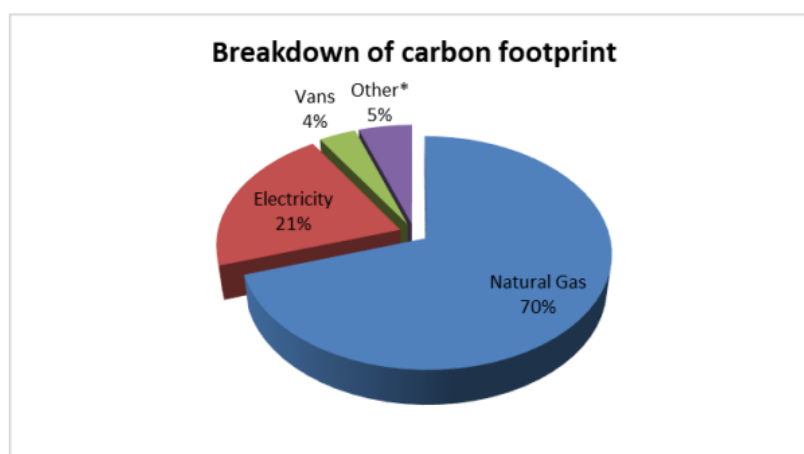
The trustees recognise the environmental and climate risks faced by the charity and we are committed to reducing, where possible, the environmental impact of our operations and minimising our environmental impact. In order to achieve this Choice Support ensures waste is recycled where possible, all new domestic appliances (including heating systems) are A rated and have continued to invest in technology to reduce our need to travel.

Choice Support has appointed an independent carbon and energy management company to assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2019 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing emissions from electricity usage. The financial control approach has been used.

The review of the GHG emissions for the year to 31st March 2023 have shown a decrease of 24.3% compared with the previous year. Choice Support's total emissions are 1,188.74 tCO<sub>2</sub>e. The most significant emission source is Site Gas, accounting for 70% of Choice Support's carbon.

Footprint.



\*Other= Grey Fleet (employee-owned vehicles), Transmission & Distribution, Company cars.

Metric	2019/20	2020/21	2021/22	2022/23	% change on baseline year (2019/20)	% change on previous year
Tonnes of CO <sub>2</sub> e	1,875.69	1,429.62	1,569.41	1,188.74	-36.6% ▼	-24.3% ▼
Tonnes of CO <sub>2</sub> e per employee	0.76	0.54	0.60	0.46	-39.9% ▼	-24.0% ▼
Tonnes of CO <sub>2</sub> e per £ million turnover	24.79	18.86	21.80	19.49	-21.4% ▼	-10.6% ▼

The total carbon footprint for Choice Support for the period ending 31<sup>st</sup> March 2023 is 1,188.74 tonnes CO<sub>2</sub>e.

*Table 3: Results of Choice Support's carbon footprint assessment by scope and GHG Protocol emission categories*

Scope	Emission Source	2022/23 (tCO <sub>2</sub> e)
1	Natural Gas	832.70
1	Vans	44.12
1	Company cars	6.50
<b>1</b>	<b>Scope 1 Total</b>	<b>883.33</b>
2	Electricity	248.47
<b>2</b>	<b>Scope 2 Total</b>	<b>248.47</b>
3.3	Transmission & Distribution	22.73
3.6	Grey Fleet (employee-owned vehicles)	34.20
<b>3</b>	<b>Scope 3 Total</b>	<b>56.93</b>
<b>All</b>	<b>Tonnes of CO<sub>2</sub>e</b>	<b>1,188.74</b>
<b>All</b>	<b>Tonnes of CO<sub>2</sub>e per employee</b>	<b>0.46</b>
<b>All</b>	<b>Tonnes of CO<sub>2</sub>e per £ million turnover</b>	<b>19.49</b>

Emissions from energy usage at site facilities

The table below shows the breakdown of emissions from on-site energy usage at the top 10 emitting sites out of Choice Support's 103 sites. The table shows that Howard Goble House is the site with the highest site emissions, with the majority arising from natural gas usage for heating. The electricity usage at the Holly Lodge 6 site is not under Choice Support's financial control so it has been excluded from this assessment.

*Table 4: CO<sub>2</sub>e emissions as a result of site energy consumption*

Name of Site	Electricity <sup>1</sup> (tCO <sub>2</sub> e)	Natural Gas (tCO <sub>2</sub> e)	Total tCO <sub>2</sub> e	Total Emissions %
Howard Goble House	18.73	66.55	85.27	8%
Arnold House 154	16.07	54.56	70.63	6%
Vartry Road 18	3.16	46.17	49.33	4%
Rectory Road 87	11.22	31.25	42.47	4%
Chapel Hill	7.58	34.41	42.00	4%
Salisbury Road 16	8.01	30.38	38.39	3%
Samuel Close 2	14.92	16.67	31.59	3%
Holly Lodge 6	0.00	27.23	27.23	2%
Maidstone Road 114	5.10	19.69	24.79	2%
Carlton Day Centre	7.10	16.42	23.52	2%
<b>Sub-total (top 10 sites)</b>	<b>91.89</b>	<b>343.33</b>	<b>435.22</b>	<b>39%</b>
<b>Total (all-sites)</b>	<b>271.20</b>	<b>832.70</b>	<b>1,103.91</b>	<b>100%</b>

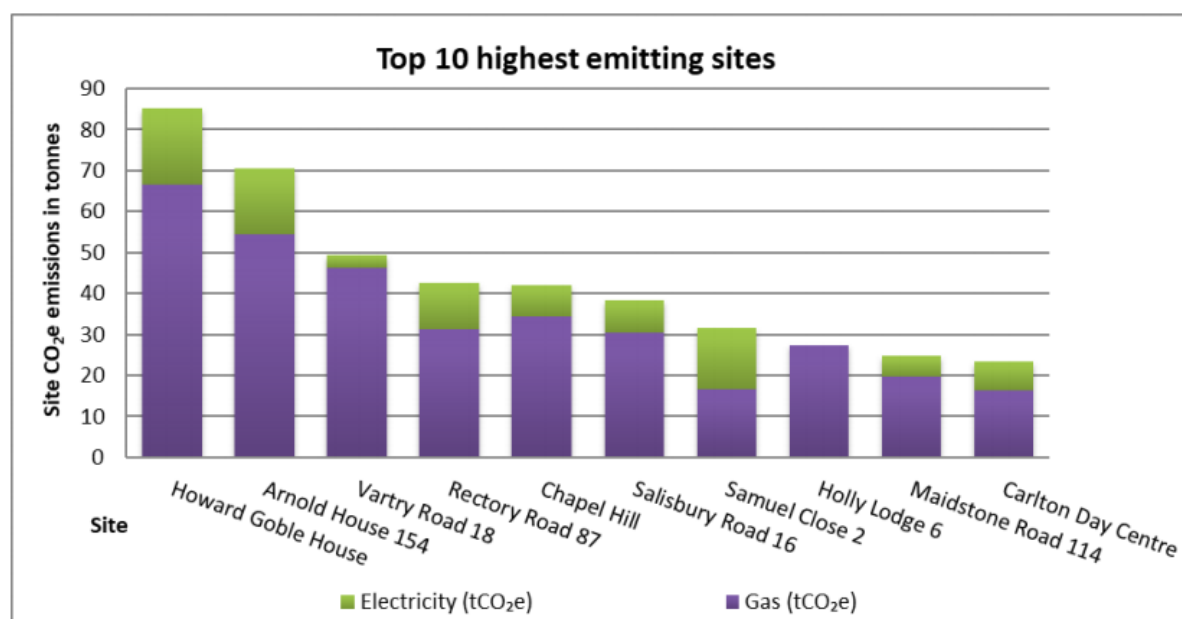


Figure 3: CO<sub>2</sub>e emissions on a per site and fuel basis

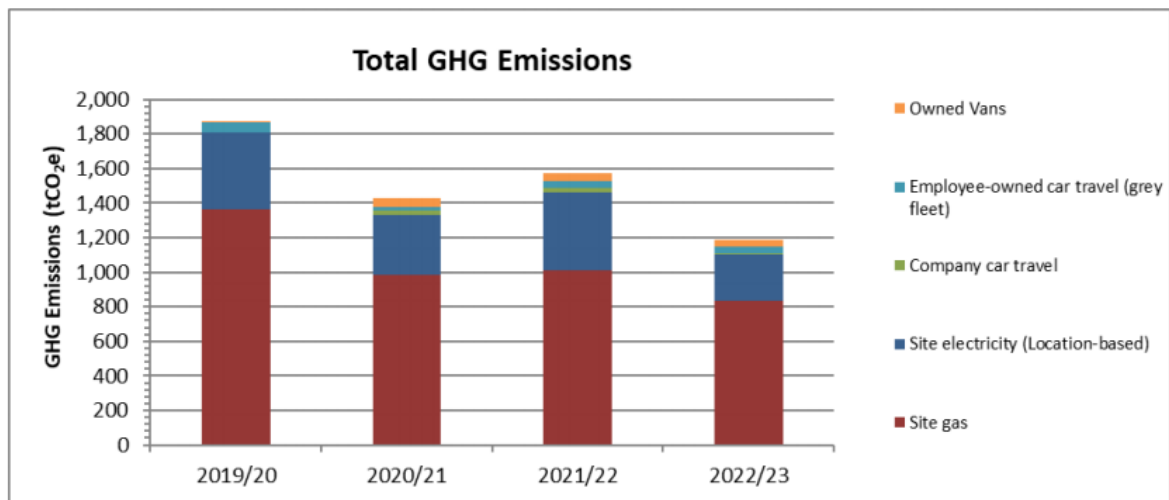
#### Comparison and Benchmarking

The table and graph below show historical emissions per activity, as well as the total carbon footprint and carbon intensity metrics (tonnes of CO<sub>2</sub>e per employee and tonnes of CO<sub>2</sub>e per £M turnover).

Table 5: Choice Support's carbon footprint comparison and percentage change

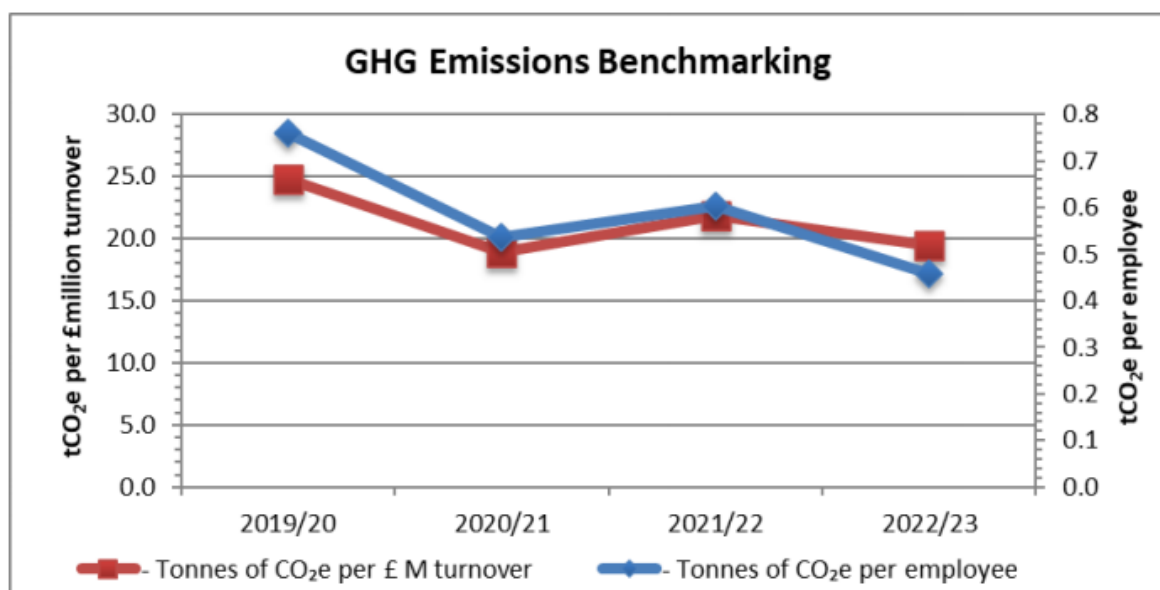
Element	2019/20	2020/21	2021/22	2022/23	% change on baseline year (2019/20)	% change on previous year
Site gas	1,362.98	983.53	1,010.92	832.70	-38.9% ▼	-17.6% ▼
Site electricity (Location-based)	442.30	348.18	447.67	271.20	-38.7% ▼	-39.4% ▼
Owned Vans	6.24	56.21	39.86	44.12	607.4% ▲	10.7% ▲
Employee-owned car travel (grey fleet)	62.87	18.96	43.75	34.20	-45.6% ▼	-21.8% ▼
Company car travel	1.31	22.74	27.21	6.50	397.7% ▲	-76.1% ▼
<b>Total Tonnes of CO<sub>2</sub>e</b>	<b>1,875.69</b>	<b>1,429.62</b>	<b>1,569.41</b>	<b>1,188.74</b>	<b>-36.6% ▼</b>	<b>-24.3% ▼</b>
- Tonnes of CO <sub>2</sub> e per employee	0.76	0.54	0.60	0.46	-39.9% ▼	-24.4% ▼
- Tonnes of CO <sub>2</sub> e per £ M turnover	24.79	18.86	21.80	19.49	-21.4% ▼	-10.6% ▼

Choice Support's total carbon footprint has decreased by 24.3% between this period and the previous year because of the decline in natural gas and electricity usage across its sites. The decrease in natural gas usage is largely related to a defective meter seen at Varty Road, which led to anomalously high consumption for this site in the 2021/22 period. Additionally, Choice Support has also sold or handed back a few of sites to their landlord respective, which is also linked to decrease in natural gas & electricity usage in this period. However, company van travel has increased by 10.7% between this period and the previous year, due to an increase of 12,031 miles (10%) as result of operatives travelling more.



**Figure 4: Detailed emissions comparison for the various aspects of Choice Support's emissions**

Benchmarked against employee numbers and company turnover (adjusted for inflation) the carbon emissions statistics show a decrease in both intensity metrics since 2019/20.



**Figure 5: Carbon footprint of Choice Support for internal benchmarks**

The table and graph below show historical emissions per activity, as well as the total carbon footprint and carbon intensity metrics (tons of CO<sub>2</sub>e per employee and tons of CO<sub>2</sub>e per £M turnover).

Choice Support, in conjunction with Carbon Footprint Ltd, has assessed its carbon footprint and has shown a reduction of 36.6% from the baseline year, based on its absolute emissions.

## **Principal Risks and Management**

The Board of Trustees ensures the charity exercises sound financial management and has effective management and internal controls. It ensures the development of a strategy, business plan and policies that maintain and improve the charity's financial health, integrity and safeguards its assets. The Strategy and Plan are reviewed regularly through the year to identify and risks and challenges.

The board receives accurate, timely and meaningful financial information and advice on all approved investment and audit arrangements and all other financial matters. It is this which enables the board to give an annual statement of assurance in respect of financial control systems.

We have in place a corporate risk management policy that sets out the board's agreed approach to risk management. The policy applies to the whole charity and sets out how we understand and manage risks relating to the law, regulations, governance, financial management and business performance.

We use our risk management framework to identify, prioritise and manage risks. This helps us to minimise threats and make the most of opportunities. The corporate risk register has been reviewed and rewritten in the last year to better reflect the challenges that the organisation faces and the provide more agile management of the presenting risks. It is a live document, and we report on risks and mitigating action to our Finance, Risk and Audit committee (FRA committee), Quality and Safeguarding Committee (Q&S Committee) and the HR Committee, as well as our Board of Trustees.

The Board reviews the CRR bi – annually and each committee reviews their risk areas quarterly, actively influencing and supporting the management of risk within the business identifying significant changes, including events that might increase the probability of risks crystallising and advising the board on any matters which might create significant financial risk.

The principal risks faced by the charity remain financial - owing to continued pressure on local authority funding which results in low pay and low margins. In turn, this leads to difficulty recruiting and retaining staff. It has also rendered some contracts unviable resulting in deficit making services. This is managed effectively through negotiations for higher contract uplifts, making efficiency savings via new ways of working, innovative business models and effective HR strategies. We are also handing back contracts that remain unsustainable after making efforts to alleviate the risks.

The other main risks are connected with the loss of IT systems or data. These are mitigated through effective disaster recovery systems and the use of encryption software. We minimise internal risks by the implementation of procedures, support and training ensuring consistent quality of service.

We recognise systems and internal controls provide reasonable, but not absolute, assurance that major risks have been adequately managed. The board is satisfied that major risks have been reasonably identified and adequately mitigated where necessary.

## **Remuneration Policy**

The Remuneration Committee is responsible for the overall remuneration strategy of the organisation, and in particular, that of the Directors' Group. The committee is chaired by the Choice Support chair and is attended by Committee chairs. Senior salaries are benchmarked externally.



## **Financial Review**

The Group is reporting a surplus of £4,210k for the financial year ending 31 March 2023 (2022: a surplus of (£4,197k) before transfers between reserves and the pension actuarial adjustment.

Total income of £69.1m represents an increase of 6% on the previous year. Total expenditure of £64.9m was £3.7m higher than the previous year (£61.2m). The increase is primarily within staff costs. This expenditure does not include the £513k pension actuarial loss in the year compared to a pension actuarial gain of £446k in the previous year.

The levels of uplifts in fees were below the rate of increase in the National Living Wage placing further downward pressure on the care sector and continues to pose a challenge. In spite of this, our financial position remains sound. Net assets after allowing for the pension liability are £47m, an increase of 9% on the previous year. Excluding the pension liability, net assets increased by 9%.

Reserves of £47,500k existed at end of March 2023. These included £18,350k of restricted reserves, £15,594k of designated reserves and £13,556k of general reserves net of pension reserves (£2,814k).. Designated reserves relate, in the main, to the property portfolio of the Charity.

## **Principal Funding Sources**

The main funding sources of the charity are fees received from local authorities and the NHS for the provision of services in the furtherance of its charitable aims. A significant amount of income derives from rent and service charges for the occupation of properties owned and leased by the charity.

The largest area of expenditure is staff costs directly attributed to meeting the care and support needs of service users. Expenditure has been incurred in the key area of central management where staff report under functionality directorates to provide vital support, administration, and management information to ensure our key objectives are met effectively in a cost-effective manner.

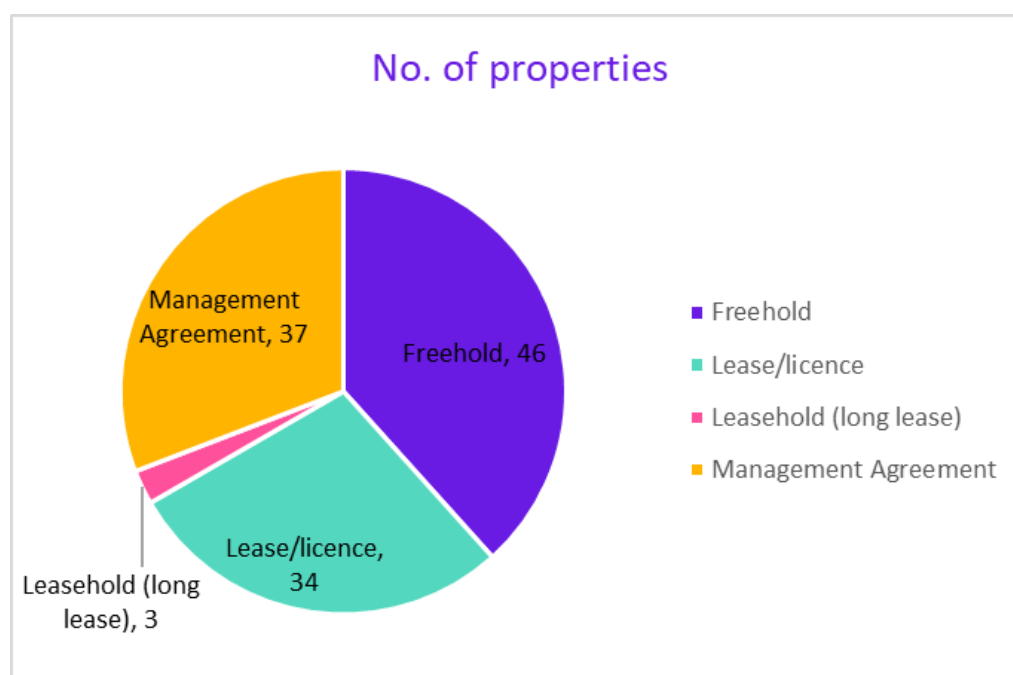
## Property portfolio

Choice Support owns and manages 120 properties across 32 separate local authorities comprised of 11 day/employment/social enterprise services, 11 main and regional supporting offices and 99 residential properties (dwellings) with a total of 504 lettable units/bedspaces. We work in partnership with around 30 landlords including 10 housing associations, 5 Local Authority/NHS landlords and 15 private landlords.

Our property portfolio includes:

Ownership Type	No. of properties	Sum of No. Lettable units
Freehold	46	175
Lease/licence	34	118
Leasehold (long lease)	3	24
Management Agreement	37	187
<b>Grand Total</b>	<b>120</b>	<b>504</b>

## No. of Properties by Ownership Type



## **Investment Policy**

Choice Support manages an investment policy which seeks to strike the right balance between the two objectives of:

- providing an income to help the charity carry out its purposes effectively in the short to medium term, and
- maintaining and enhancing the value of the invested funds, so as to enable the charity to effectively carry out its purposes in the longer term.

Every investment opportunity is subject to financial scrutiny and appraisal in order to ensure that we are allocating resources prudently and making the right decision particularly where there is more than one opportunity to choose from. We will seek to consider both the financial and non-financial issues that could affect investment in any given project, service, property or group of projects, services, or properties. We will adopt a flexible approach to investment that combines a mixture of ethical, socially responsible, and mission related approaches to investment in so far as decisions are financially sound and economically viable or otherwise justifiable.

Cash not required in the short or medium term is invested in fixed deposit accounts, bonds or other deposit funds designed for longer term investment. This is placed with reputable banks in the UK providing the best interest rates with minimum risk of loss. Any cash surplus to our daily requirements but which is needed to fund on-going working capital is invested in an instant access special reserve account.

We consider investment in innovative housing solutions for people with learning disabilities, autism or mental health needs. We invest in the research and development of different models of support and new concepts of providing care for people with learning disabilities, autism or mental health needs.

We invest in the research and development of innovative ideas that enhance our reputation as a problem solver in the Adult Social Care sector particularly to make a difference in the lives of people with learning disability; mental health or autism needs as well as investing in Information and Communication Technology and infrastructure in line with our ICT Strategy.

## **Reserves Policy**

Trustees consider that general reserves should be retained at a level sufficient to cover a minimum of six months expenditure relating to support costs. Support costs are mainly expenditure relating to local, area and central management overheads. Direct staff and non-staff costs pertaining to operational business activities are substantially covered by fee income and trustees have set a contribution level for these activities. Reserves are also used to cover budget shortfall in the short term for services that are not currently generating the target contribution for which a turnaround plan or exit strategy must be established. Additionally, reserves are held for investment in housing related projects as opportunities arise working in partnership with other public bodies who provide significant capital funding.

Budgeted support costs for 2023-24 are c.£10m. Six months is equivalent to £5m.

Reserves at March 23 were as follows:	<b>£'000's</b>
Restricted Funds	18,350
Designated Funds	15,594
Pension Scheme	(2,814)
General	16,370
<b>Total Reserves</b>	<b>47,500</b>
Less :	
Restricted Funds related to Capital Grants	16,872
Other Restricted Funds	1,477
Designated Funds relating to property assets	15,594
<b>Free Reserves</b>	<b>13,556</b>

In January 2023, the Board of Trustees took the decision to invest part of the free reserves in: above inflation pay increases, our digital transformation program, and capital investments in order to address the current recruitment and retention challenges and ensure services remain appropriately staffed.

The Board of Trustees are considering a number of investment initiatives to improve the quality of our services and increasing opportunities for people to be happy. We will use our free reserves to fund these initiatives ensuring we retain a level sufficient to cover a minimum of six months expenditure relating to support costs.

### **Related Parties**

The charity has a number of dormant subsidiaries arising from mergers over recent years. These are listed in note 24 of the accounts. The Blue River Project (company registration number 02656104, charity registration number 1029739) remains the only active subsidiary of Choice Support.

The trustees' report has been approved by the trustees, who have also approved the Strategic report in their role as Directors of the charitable company. Both were approved on xx December 2023 and signed on their behalf by:



Oliver Mills    Chairman

---

## **Independent Auditor's report to the members of Choice Support**

### **Opinion**

We have audited the financial statements of Choice Support (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise as the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 2 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

9 January 2024

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6<sup>th</sup> Floor  
9 Appold Street  
London  
EC2A 2AP



The notes on pages 26 to 49 form part of these financial statements

**Consolidated Statement of Financial Activities (incorporating an income and expenditure account)**

	Notes	Unrestricted Funds 2023 £000's	Restricted Funds 2023 £000's	Total Funds 2023 £000's	Unrestricted Funds 2022 £000's	Restricted Funds 2022 £000's	Total Funds 2022 £000's
<b>Income</b>							
Donations and legacies		-	49	49	-	-	-
Capital grant funding		-	2,758	2,758	-	484	484
Other trading activities(shops)		156	-	156	129	-	129
Profit on disposal of Fixed Assets		406	-	406	87	-	87
Other income		26	-	26	276	-	276
Income from investments		211	-	211	66	-	66
<b>Income from charitable activities:</b>							
Learning Disability and Mental Health		60,008	26	60,034	59,384	86	59,470
Housing		3,446	35	3,481	3,224	-	3,224
Experts by Experience		2,008	-	2,008	1,658	-	1,658
				-			-
<b>Total income</b>	4	<b>66,261</b>	<b>2,868</b>	<b>69,129</b>	<b>64,824</b>	<b>570</b>	<b>65,394</b>
<b>Expenditure</b>							
<b>Expenditure on raising funds</b>							
Fundraising costs		-	-	-	-	-	-
Trading costs (shops)		113	-	113	123	-	123
<b>Expenditure on charitable activities</b>							
Learning Disability and Mental Health		59,648	79	59,727	56,547	24	56,571
Housing		2,982	233	3,215	2,494	639	3,133
Experts by Experience		1,826	-	1,826	1,401	-	1,401
<b>Exceptional Items:</b>							
Pension Settlement Charge	6	-	-	-	-	-	-
<b>Total expenditure</b>	7	<b>64,569</b>	<b>312</b>	<b>64,881</b>	<b>60,565</b>	<b>663</b>	<b>61,228</b>
Net (losses) / gains on investments	12	(38)	-	(38)	31	-	31
<b>Net Income/(Expenditure)</b>	5	<b>1,654</b>	<b>2,556</b>	<b>4,210</b>	<b>4,290</b>	<b>(93)</b>	<b>4,197</b>
Transfer between funds	18	644	(644)	-	-	-	-
Pension scheme actuarial (loss)/gain	17	(513)		(513)	446		446
<b>Net movement in funds</b>		<b>1,785</b>	<b>1,912</b>	<b>3,697</b>	<b>4,736</b>	<b>(93)</b>	<b>4,643</b>
<b>Funds at the start of the year</b>		<b>27,365</b>	<b>16,438</b>	<b>43,803</b>	<b>22,629</b>	<b>16,531</b>	<b>39,160</b>
<b>Funds at the end of the year</b>		<b>29,150</b>	<b>18,350</b>	<b>47,500</b>	<b>27,365</b>	<b>16,438</b>	<b>43,803</b>

**Choice Support**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

Consolidated Balance Sheet		Charity		Group	
	Notes	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>FIXED ASSETS</b>					
Intangible Assets	11	18	25	18	25
Tangible Assets	11	30,295	29,119	30,295	29,119
<b>INVESTMENTS</b>		<b>30,313</b>	<b>29,144</b>	<b>30,313</b>	<b>29,144</b>
Investments	12	609	633	609	633
Long Term Deposits	12	10,000	7,248	10,000	7,248
		<b>10,609</b>	<b>7,881</b>	<b>10,609</b>	<b>7,881</b>
<b>CURRENT ASSETS</b>					
Debtors	14	6,236	6,791	6,236	6,791
Cash in bank and in hand		8,822	9,508	8,822	9,508
		<b>15,058</b>	<b>16,299</b>	<b>15,058</b>	<b>16,299</b>
<b>CREDITORS : Amounts falling due within one year</b>	15	<b>(5,666)</b>	<b>(6,710)</b>	<b>(5,666)</b>	<b>(6,710)</b>
<b>NET CURRENT ASSETS</b>		<b>9,392</b>	<b>9,589</b>	<b>9,392</b>	<b>9,589</b>
<b>CREDITORS : Amounts falling due in more than one year</b>	16	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS excluding pension liability</b>		<b>50,314</b>	<b>46,614</b>	<b>50,314</b>	<b>46,614</b>
Pension Liability	17	(2,814)	(2,811)	(2,814)	(2,811)
<b>NET ASSETS including pension liabilities</b>		<b>47,500</b>	<b>43,803</b>	<b>47,500</b>	<b>43,803</b>
<b>CAPITAL and RESERVES</b>					
Restricted		18,350	16,438	18,350	16,438
Designated		15,594	16,196	15,594	16,196
Pension		(2,814)	(2,811)	(2,814)	(2,811)
General		16,370	13,980	16,370	13,980
		<b>47,500</b>	<b>43,803</b>	<b>47,500</b>	<b>43,803</b>

As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of financial activities and income and expenditure account. The company's net income in 2023 was £4,210k (2022: £4,197k)

The financial statements on pages **Error! Bookmark not defined.** to 49 were approved and authorised for issue by the Board of Directors on 13 December 2023



Oliver Mills      Chairman  
Trustee Company No. 8971493



Tim Coppard

<b>Consolidated Statement of Cash Flows</b>	<b>Group</b>	<b>Group</b>
<b>For the year ended 31 March 2023</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash Flows from operating activities</b>		
Net cash (used in) / Provided by operating activities	<u>3,088</u>	<u>4,661</u>
<b>Cash flows from investing activities</b>		
Interest Receivable	211	66
Payments to acquire tangible fixed assets	(1,824)	(757)
Payments to acquire intangible fixed assets	-	(33)
Sale proceeds from disposal of fixed assets	606	570
Purchase of investments	-	-
Proceeds from disposal of investments	1	1
Net Investment in long term deposits	<u>(2,752)</u>	<u>(221)</u>
<b>Net cash outflow from investing activities</b>	<b>(3,758)</b>	<b>(374)</b>
<b>Net change in cash and cash equivalents in the reporting period</b>	<b>(671)</b>	<b>4,287</b>
Cash and cash equivalents at 1 April 2022	9,579	5,292
Cash and cash equivalents at 31 March 2023	<u>8,908</u>	<u>9,579</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand and bank	8,822	9,508
Cash held at investment managers	<u>87</u>	<u>71</u>
	<u>8,908</u>	<u>9,579</u>
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income</b>	<b>4,210</b>	<b>4,197</b>
Interest receivable	(211)	(66)
Depreciation of fixed assets	451	482
Amortisation of intangible assets	7	98
Unrealised gains on investments	38	(31)
(Gain)/Loss on sale of assets	(406)	(87)
Net movement in pension scheme	(513)	(478)
Decrease / (Increase) in stocks	-	9
Decrease / (Increase) in debtors	555	1,043
(Decrease) / Increase in creditors	<u>(1,044)</u>	<u>(506)</u>
	<u>3,088</u>	<u>4,661</u>

## **1. Accounting Policies**

### **Status**

During the year the charity was a company limited by guarantee, incorporated in England and Wales (company number 8971493) and registered with the charity commission (number 1156486) with a registered address of Compass House, 84 Holland Road, Maidstone, Kent, ME14 1UT

### **Accounting convention**

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2019 (SORP(FRS102)), the Financial and Reporting Standard applicable in the United Kingdom and Republic of Ireland, The Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **Going concern**

The financial statements are prepared on a going concern basis which assumes the organisation will continue in operational existence for the foreseeable future.

In making this assessment, the trustees have considered the resources of the charity focusing on the risks to liquidity and solvency. Choice Support has a significant number of long-term contracts and a high standing within the social care and mental health community which ensures continued success in securing new contracts and retaining existing ones. Over the past year despite the impact of the corona virus pandemic there has been a focus on tackling deficit making services and filling service vacancies and housing voids both of which improve the financial strength and sustainability of the charity. Together with the implementation of the new Strategic plan these factors mean Choice Support is well placed for the future.

As part of the going concern assessment, the trustees have made significantly worse than expected assumptions to demonstrate the financial viability of Choice Support under extremely pessimistic and unlikely conditions. Trustees considered the ongoing financial impact of expected increases in the National Minimum Wage and other inflationary pressures on costs in terms of operating performance and cashflow. It was concluded that the charity has sufficient liquid reserves to deal with these additional costs if they are not funded by local or central government or the NHS.

Based on above, the trustees consider that the charity has adequate resources to continue to operate and meet their liabilities as they fall at least for a period of 12 months from the date of approval of these financial statements and consequently the financial statements have been prepared on a going concern basis.

### **Income**

Resources from raising funds are received by way of donations, gifts and fundraising and is included in full in the Statement of Financial Activities (SOFA) when there is entitlement to the income, the receipt is probable and the amount can be quantified. Interest income is included when receivable.

Income from charitable activities includes fees and grants for residential care and is included when receivable. This income represents amounts due from tenants in supported living services, residents of registered services and grants and allowances receivable from funding bodies including fees for the provision of community, employment and vocational services. Grants of a revenue nature are credited to income in the period to which they relate.

Grants for capital expenditure are credited to income and held in restricted reserves. Expenditure of such grants is subject to the terms and conditions under which the grants were made and the depreciation of the capital asset acquired is debited to the SOFA.

### **Expenditure**

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

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

Governance costs, which are included within support costs, are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

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

### **Tangible fixed assets**

Land purchased for the purpose of developing into units for occupation by people with learning disabilities, autism or enduring mental health issues, together with the development costs associated therewith, are disclosed separately in the balance sheet as housing development in the fixed asset note. No depreciation is provided on these assets until such time as they are brought into use by Choice Support.

Component accounting is used and applied to all freehold property. Land is not depreciated. The Board has taken professional advice as to the estimated economic life of each building and the apportionment of original cost between land and buildings. The various components and associated estimated useful lives are:

Kitchens	15 years	Roofs	25 and 75 years
Bathrooms	20 years	Windows & doors	25 years
Electrical re-wire	30 years	Lifts	40 years
Boiler and heating	15 years	Specialised baths	15 years
Bricks and mortar	100 years		

Depreciation is provided on all other tangible fixed assets other than freehold land and buildings at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold buildings	Depreciated over the leasehold period
Fixtures and fittings	25% pa on cost
Office & IT equipment	25% pa on cost
Motor vehicles	25% pa on cost

A full year's depreciation is charged in the year of acquisition and none in the year of disposal. Assets costing over £1k used in area and central offices are capitalised. Replacement assets in services are charged directly to the SOFA irrespective of cost.

Depreciation rates, residual lives and impairment losses are assessed annually.

### **Intangible fixed assets**

Intangible fixed assets are recognised at costs and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost less their estimated residual values over their useful lives, as follows: -

Software	25% on cost
----------	-------------

### **Financial Instruments**

Trade debtors that have been acquired in the ordinary course of business are obligations by commissioners and others to pay for goods or services supplied. These basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at book value after making adequate provision for non-payment. There are no arrangements that constitutes a financing transaction, whereby the transaction would be measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at transaction price on the basis that they are imminently payable.

### **Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Capital grants, or other funds received, for a specific purpose are transferred to restricted reserves. Depreciation is offset against it once the capital asset has been acquired and is brought into use.

The trustees designate certain funds to reflect the fact that those funds are not available for general use; these amounts are disclosed as designated reserves. Note 18 details funds that have been designated and include funds tied up in fixed assets and sinking funds set aside for future housing expenditure of a cyclical nature.

### **Investments**

Investments in the subsidiary undertakings are stated at cost in the charity balance sheet and are classified as fixed assets. The charity has paid no consideration for the investments in subsidiaries and therefore there is no cost shown in the balance sheet.

Cash held in fixed rate deposit accounts with terms longer than twelve months or with the intention of reinvestment for such a period has been classified as long-term investments and shown separately in the balance sheet.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

### **Taxation**

The charity and its subsidiaries have charitable status and therefore are not subject to Corporation Tax on surpluses derived from their charitable activities.

### **Retirement Benefits**

The charity participates in both defined benefit (multi-employer) and defined contribution schemes which require contributions to be made to separately administered funds. Contributions payable for the year relating to defined contribution schemes are charged in the Income and Expenditure Account as incurred. Defined benefit schemes are accounted for in line with FRS102.

### **Employee Benefits**

The cost of short-term employee benefits is recognised as a liability and an expense. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **Rentals under operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

## **2. Judgements And Key Sources Of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets taking account of the separate component parts of the land and buildings. See note

1 for the carrying amount of the property, plant and equipment and note 1 for the useful economic lives for each class of asset.

## **3. Charity Results**

Choice Support has taken advantage of S408 of the Companies Act 2006 not to prepare a separate parent charity Statement of Financial Activities. The total income of the parent charity only was £69m (2022: £65m) with a surplus of £4,210k for the year before pension actuarial losses and opening adjustments (2022: a surplus of £4,197k).



#### **4. Income**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fundraising and donations	49	61
Capital Grant funding	2,758	484
Supported Living and Individualised services	43,698	41,618
Registered Care	12,318	12,252
Housing	3,481	3,224
Experts by Experience	2,008	1,658
Community support	332	392
Engagement Services	2,616	2,359
Employment Services	448	469
Social Enterprises	760	745
Trading	3	3
COVID 19 Funding	15	1,825
Furlough Funding	-	61
Other income	26	90
Investment income	211	66
Profit on disposal of fixed assets	406	87
	<u>69,129</u>	<u>65,394</u>

#### **5. Net Income for the year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
This is stated after charging:		
Depreciation	451	484
Amortisation	7	98
Operating Lease rentals	786	1,022
Net profit / (loss) on disposal of fixed assets	406	87

#### **6. Exceptional Item: Pension Settlement Charge**

In 2021 the Trustees took the decision to exit the LGPS Pension scheme and settle the deficit. The resulting deficit was £1,043,000 payable by equal instalments over three years. As of 31 March 2022 two of the three instalments has been paid. The final instalment of £346,700 was paid in September 2022.

## **7. Operating Expenditure**

### **2023**

<b>Group</b>	Direct costs, staff	Direct costs, non- staff	Support Costs (note 8)	<b>Group Total 2023</b>
	£'000	£'000	£'000	<b>£'000</b>
Cost of generating voluntary income	11	102	-	<b>113</b>
Direct charitable activities:				
Learning Disability, Autism & Mental Health	49,372	3,475	6,880	<b>59,727</b>
Mental Health				
Housing	567	2,249	399	<b>3,215</b>
Experts by Experience	1,483	113	230	<b>1,826</b>
Total	<u>51,433</u>	<u>5,939</u>	<u>7,510</u>	<b><u>64,881</u></b>

### **2022**

<b>Group</b>	Direct costs, staff	Direct costs, non- staff	Support Costs (note 8)	<b>Group Total 2022</b>
	£'000	£'000	£'000	<b>£'000</b>
Cost of generating voluntary income	6	104	3	<b>123</b>
Direct charitable activities:				
Learning Disability, Autism & Mental Health	45,751	2,057	8,761	<b>56,569</b>
Housing	492	2,313	332	<b>3,137</b>
Experts by Experience	1,048	181	170	<b>1,399</b>
Total	<u>47,297</u>	<u>4,655</u>	<u>9,267</u>	<b><u>61,228</u></b>

## 8. Support Costs

Local support costs represent direct management to operational services. Area support costs, include training, recruitment and management costs incurred in the geographical areas. Central support costs represent the support services provided from the charity's head office.

### 2023

	Learning Disability , Autism & Mental Health £'000	Housing £'000	Experts by Experience £'000	Fundraising & Donations £'000	Group Total £'000
Local Costs	893				893
Area Costs	1,830	-	-	-	1,830
Central Costs	4,157	400	230	-	4,787
Total	<u>6,880</u>	<u>400</u>	<u>230</u>	<u>-</u>	<u>7,510</u>

### 2022

	Learning Disability , Autism & Mental Health £'000	Housing £'000	Experts by Experience £'000	Fundraising & Donations £'000	Group Total £'000
Local Costs	838	-	-	-	838
Area Costs	1,803	-	-	-	1,803
Central Costs	6,120	332	170	13	6,635
Total	<u>8,761</u>	<u>332</u>	<u>170</u>	<u>13</u>	<u>9,276</u>

Support costs include the following governance costs

	2023 £'000	2022 £'000
Fees payable to current auditors		
- Audit Services – current year	89	88
- Tax and other non-audit services	13	1
<b>Total Governance Costs</b>	<u>102</u>	<u>89</u>

**9. Staff Costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages & Salaries	45,469	45,448
Social security costs	4,222	3,951
Pension costs	1,258	1,312
Redundancy and termination costs	117	588
	<u>51,066</u>	<u>51,299</u>
Agency	4,717	1,977
Total	<u><b>55,783</b></u>	<u><b>53,276</b></u>

The average monthly number of employees during the period was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
Care staff	2,422	2,444
Management and administration staff	101	164
	<u><b>2,523</b></u>	<u><b>2,608</b></u>

The number of employees whose emoluments, including benefits in kind, were in excess of £60,000 was:

	<b>2023</b>	<b>2022</b>
£60,001 - £70,000	1	3
£70,001 - £80,000	2	-
£80,001 - £90,000	1	2
£90,001 - £100,000	4	3
£110,001 - £120,000	1	1
£130,001 - £140,000	1	-
£150,001 - £160,000	-	1

\* 2022 includes redundancy payments

## 10. Trustees and Key Management Personnel

There are 7 trustees serving at 31 March 2023, (2022:8) No trustee received any remuneration or benefit in kind during the year or the prior year. Travel expenses reimbursed to 3 trustees (2022:0) amounted to £0.2k (2022: £0k).

Key Management personnel include trustees and executive directors. The aggregate amount, including redundancy, employers' national insurance, benefits and pensions, paid in the year was:

	2023 £'000	2022 £'000
Total paid to key management personnel	<u>794</u>	<u>871</u>

## 11. FIXED ASSETS

### A) Tangible fixed assets, Year ended 31 March 2023

Charity and Group	Housing Development	Freehold land and buildings	Leasehold land and buildings	Fixtures, fittings, office & IT  equipment and vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2022	513	29,768	2,301	798	<b>33,380</b>
Additions	1,824	-	-	-	<b>1,824</b>
Disposals	-	(234)	(60)	(13)	<b>(307)</b>
At 31 March 2023	<u>2,337</u>	<u>29,534</u>	<u>2,241</u>	<u>785</u>	<u><b>34,897</b></u>
<b>Depreciation</b>					
At 1 April 2022	-	3,089	512	660	<b>4,261</b>
Charged in the year	-	361	36	54	<b>451</b>
Disposals	-	(77)	(20)	(13)	<b>(110)</b>
At 31 March 2023	<u>-</u>	<u>3,373</u>	<u>528</u>	<u>701</u>	<u><b>4,602</b></u>
<b>Net Book Value at 31 March 2023</b>	<u><b>2,337</b></u>	<u><b>26,161</b></u>	<u><b>1,713</b></u>	<u><b>84</b></u>	<u><b>30,295</b></u>
Net Book Value at 31 March 2022	513	26,679	1,789	138	29,119

Certain assets included within Housing Development and Freehold land and buildings have been funded by capital grants which create legal charges over the properties, although section 256 agreements allow the charges to be removed upon negotiation.

In 2002 a number of properties were transferred to the charity for the operation of a contract in Bexley. These properties are not shown in the balance sheet as there is no beneficial ownership and on cessation of the contract, ownership reverts to the original owners.

Housing development costs represent the expenditure incurred in acquiring land and buildings in advance of developing these to provide accommodation for individuals with learning disabilities. Once completed these costs will be reallocated to freehold or leasehold land and buildings as appropriate and depreciated accordingly when they are brought into use.

Two charges in favour of National Westminster Bank plc are held over two other properties.

## **B) Intangible Fixed Assets**

### **Charity and Group**

	<b>2023</b>	<b>2022</b>
	<b>Software</b>	<b>Software</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
At 1 April	<b>1,518</b>	1,485
Additions	-	33
Disposals	<b>(1,197)</b>	-
At 31 March	<b>321</b>	1,518
<b>Amortisation</b>		
At 1 April	<b>1,493</b>	1,395
Charged in the year	<b>7</b>	98
Disposals	<b>(1,197)</b>	-
At 31 March	<b>303</b>	1,493
<b>Net Book Value at 31 March 2023</b>	<b>18</b>	25

## 12. Investments

	Charity and Group 2023 £'000	Charity and Group 2022 £'000
<b>Listed investments</b>		
Market value at 1 April	561	531
Additions at cost	-	-
Disposals (proceeds: £1,439, gains: £224 )	(1)	(1)
Unrealised (losses)/gains	(38)	31
Market value as at 31 March	522	561
Cash held for reinvestment	87	72
Total Investments	609	633
Cash held in long term deposits	10,000	7,248
Total investments and long term deposits	10,609	7,881
Cost of listed investments (excluding cash at 31 March)	496	496

As at 31 March 2023 the following individual investment holdings each represented a material holding (ie greater than 5% of the value of the portfolio) when compared to the value of the listed investments held at that date:

	Market Value £'000	% of total listed investments
Barclays Charity Fund -R (GBP)	522	100

## 13. Stocks

	Charity		Group	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods for resale	0	0	0	0

#### 14. Debtors

	Charity		Group	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors and grants	3,051	4,429	3,051	4,429
Prepayments & Accrued Income	3,154	2,188	3,154	2,188
Other Debtors	<u>31</u>	<u>174</u>	<u>31</u>	<u>174</u>
	<u><b>6,236</b></u>	<u><b>6,791</b></u>	<u><b>6,236</b></u>	<u><b>6,791</b></u>

#### 15. Creditors : Amounts falling due within one year

	Charity		Group	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	1,076	1,049	1,076	1,049
Accruals	2,127	2,486	2,127	2,486
Deferred income	748	871	748	871
Tax and social security costs	1,000	1,152	1,000	1,152
Client monies	216	261	216	261
Other creditors	499	891	499	891
	<u><b>5,666</b></u>	<u><b>6,710</b></u>	<u><b>5,666</b></u>	<u><b>6,710</b></u>

#### Movement in Deferred Income

Deferred Income at beginning of year	871	925	871	925
Income recognised in year	(871)	(925)	(871)	(925)
Income deferred in the current year	<u>748</u>	<u>871</u>	<u>748</u>	<u>871</u>
<b>Income Deferred at end of year</b>	<u><b>748</b></u>	<u><b>871</b></u>	<u><b>748</b></u>	<u><b>871</b></u>

Included within Other creditors for the charity are amounts totalling £226k in respect of outstanding pension contributions (2022 £379k)



**17. Pension Liability**

	<b>2023</b> <b>£'000</b>	2022 £'000
Actuarial gain/(loss) - SHPS	<u>(3)</u>	<u>924</u>
	<u><u>(3)</u></u>	<u><u>924</u></u>

	<b>Charity and Group 2023 £'000</b>	Charity and Group 2022 £'000
<b>Re SHPS - NPV of deficit reduction plan future liability</b>		
(Deficit) at the beginning of year	(2,811)	(3,735)
Employer Contributions	600	568
Net Interest / return on assets	(87)	(90)
Actuarial (loss) / gain *	<u>(516)</u>	<u>446</u>
SHPS pension liability	(2,814)	(2,811)

	<b>Charity and Group 2023 £'000</b>	Charity and Group 2022 £'000
Amounts recognised within net income in the Statement of Financial Activities in respect of the defined benefit schemes are:		
Employer contributions	600	568
Net Interest / Return on assets	(87)	(90)
	<u><u>513</u></u>	<u><u>478</u></u>

## 18. Movement in Funds

	Brought Forward £'000	Income £'000	Expenditure £'000	Transfers, Gains & Losses £'000	Total Funds £'000
<b>2023 : Group &amp; Charity</b>					
<b>Restricted Reserves</b>					
Fixed assets acquired through capital grants	15,282		(234)	1,824	16,872
Capital grants received for housing developments	146	2,758		(1,824)	1,079
Fundraising, Legacy and donations	574	110	(79)	(421)	184
Area committee funds	103			(103)	0
Autism London	10			(10)	0
DGSM	241			(41)	200
Roy Kinnear Foundation	14				14
Southwark Innovation Fund	46			(46)	0
Steven Clarke Trust	22			(22)	0
<b>Total Restricted : Group &amp; Charity</b>	<b>16,438</b>	<b>2,868</b>	<b>(313)</b>	<b>(643)</b>	<b>18,350</b>
<b>Designated Reserves</b>					
Fixed assets not acquired through capital grants	13,884			(443)	13,441
Depreciated capital grant fund	1,369		177		1,546
Legacy and donations	72			(72)	0
Sinking fund	844			(265)	579
Property disposal surplus	27			0	27
<b>Total Designated : Group &amp; Charity</b>	<b>16,196</b>	<b>0</b>	<b>177</b>	<b>(780)</b>	<b>15,594</b>
Pension Reserves : Group & Charity	(2,811)		513	(516)	(2,814)
Group General Reserves	13,980	66,261	(65,296)	1,423	16,370
	<b>11,169</b>	<b>66,261</b>	<b>(64,783)</b>	<b>907</b>	<b>13,556</b>
<b>Group &amp; Charity Total Reserves</b>	<b>43,803</b>	<b>69,129</b>	<b>(64,919)</b>	<b>(516)</b>	<b>47,500</b>

	Brought Forward £'000	Income £'000	Expenditure £'000	Transfers , Gains & Losses £'000	Total Funds £'000
<b>2022 : Group &amp; Charity</b>					
<b>Restricted Reserves</b>					
Fixed assets acquired through capital grants	15,504	-	(612)	390	15,282
Capital grants received for housing developments	52	484	-	(390)	146
Fundraising, Legacy and donations	539	86	(51)	-	574
Area committee funds	103	-	-	-	103
Autism London	10	-	-	-	10
DGSM	241	-	-	-	241
Roy Kinnear Foundation	14	-	-	-	14
Southwark Innovation Fund	46	-	-	-	46
Steven Clarke Trust	22	-	-	-	22
<b>Total Restricted : Group &amp; Charity</b>	<b>16,531</b>	<b>570</b>	<b>(663)</b>	<b>-</b>	<b>16,438</b>
<b>Designated Reserves</b>					
Fixed assets not acquired through capital grants	13,913	-	(427)	398	13,884
Depreciated capital grant fund	1,202	-	167	-	1,369
Legacy and donations	72	-	-	-	72
Sinking fund	886	-	-	(42)	844
Property disposal surplus	27	-	-	-	27
<b>Total Designated : Group &amp; Charity</b>	<b>16,100</b>	<b>-</b>	<b>(260)</b>	<b>356</b>	<b>16,196</b>
Pension Reserves : Group & Charity	(3,735)	-	478	446	(2,811)
Group General Reserves	10,264	64,856	(60,784)	(356)	13,980
	<b>6,529</b>	<b>64,856</b>	<b>(60,306)</b>	<b>90</b>	<b>11,169</b>
<b>Group Total Reserves</b>	<b>39,160</b>	<b>65,426</b>	<b>(61,229)</b>	<b>446</b>	<b>43,803</b>

## **18. Movement in Funds (continued)**

### **Restricted funds**

Fixed assets acquired through capital grants	This fund represents the net book value of assets purchased using capital grants.
Capital grants received for housing developments	This fund represents the value of capital grants received for housing developments but unspent at the balance sheet date.
Fundraising, Legacy and donations	This fund consists of donations and legacies that have been received for restricted purposes. In the year, transfers were made to general funds in respect of expenditure related to restricted funds which had not been correctly allocated to restricted funds.
Other restricted funds	Other restricted funds represent monies raised/received for named projects or transferred in from subsidiary charities during merger. In the year, transfers were made to general funds in respect of expenditure related to

### **Designated funds**

The Trustees have designated funds for the following purposes:

Fixed assets not acquired through capital grants	Amounts representing Choice Support's capital investment in fixed assets are transferred to designated reserves to match the net book value of such assets
Depreciated Capital Grant Fund	Amounts representing the depreciated element of potentially repayable capital grants.
Legacy and donations	This represents legacies and donations which have no explicit restriction, but have been designated for specific expenditure for the benefit of service users, but as yet not spent.
Sinking fund	Amounts representing expenditure to be carried out in future years relating to major internal and external works on properties used in the business
Property disposal surplus	This represents the surplus on the disposal of a property which has been designated for use within Mental Health services

## **19. Capital Commitments**

	<b>Charity</b>		<b>Group</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Contracted for	<u>2,866</u>	<u>5,405</u>	<u>2,866</u>	<u>5,405</u>
	<u><u>2,866</u></u>	<u><u>5,405</u></u>	<u><u>2,866</u></u>	<u><u>5,405</u></u>

The commitment above includes £2.9m (2022: £5.4m) relating to the development of a property to provide additional housing facilities to enable the charity to meet its housing strategy. These commitments will be largely matched by the receipt of capital grants

**20. Commitments under operating Leases**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Land and Buildings		
Payable in the first year	<b>467</b>	411
Payable between 3 and 5 years	<b>402</b>	657
Payable after five years	<b>9</b>	83
	<b>878</b>	1,152
Office Equipment		
Payable in the first year	<b>82</b>	108
Payable between 3 and 5 years	-	193
Payable after five years	<b>82</b>	301
Vehicles		
Payable in the first year	<b>51</b>	49
Payable between 3 and 5 years	<b>16</b>	17
Payable after five years	<b>67</b>	66

## **21. Pension Commitments**

The charity participates in various pension schemes. These are detailed below:

- a) The charity participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme. In accordance with the requirements of FRS102 the net present value of agreed liabilities was shown in the balance sheet. The increase in the liability since the previous year was charged in the statement of financial activities.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

### **Reconciliation of opening and closing balances of the defined benefit obligation**

	31-Mar-23 £'000	31-Mar-22 £'000
Defined benefit obligation at start of period	20,800	21,675
Expenses	17	16
Interest expense	573	461
Actuarial losses (gains) due to scheme experience	265	1,012
Actuarial losses (gains) due to changes in demographic assumptions	(36)	(332)
Actuarial losses (gains) due to changes in financial assumptions	(5,876)	(1,569)
Benefits paid and expenses	(500)	(463)
Defined benefit obligation at end of period	15,243	20,800

**Reconciliation of opening and closing balances of the fair value of plan assets**

	31-Mar-23 £'000	31-Mar-22 £'000
Fair value plan assets at start of period	17,989	17,940
Interest income	503	387
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(6,163)	(443)
Contributions by the employer	600	568
Contributions by plan participants	-	-
Benefits paid and expenses	<u>(500)</u>	<u>(463)</u>
Fair value of plan assets at end of period	12,429	17,989

The actual return on the plan assets (including any changes in share of assets) over the year to 31 March 2023 March 2023 was (£5,660,000), previous year (£56,000)

**Defined benefit costs recognized in Statement of Comprehensive Income (SOCl)**

	31-Mar-23 £'000	31-Mar-22 £'000
Expenses	17	16
Net interest expense	<u>70</u>	<u>74</u>
Defined benefit costs recognised in statement of comprehensive income (SoCl)	87	90

**Defined benefit costs recognized in other comprehensive income**

	31-Mar-23	31-Mar-22
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(6,163)	(443)
Experience gains and losses arising on the plan liabilities - gain (loss)	(265)	(1,012)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	36	332
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	5,876	1,569
defined benefit obligation - gain (loss)		
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(516)	446
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	(516)	446



**Assets**

	31-Mar-23	31-Mar-22
	£'000	£'000
Global Equity	232	3,452
Absolute Return	134	722
Distressed Opportunities	376	644
Credit Relative Value	469	598
Alternative Risk Premia	23	593
Fund of Hedge Funds	-	-
Emerging Markets Debt	67	523
Risk Sharing	915	592
Insurance-Linked Securities	314	419
Property	535	486
Infrastructure	1,420	1,282
Private Debt	553	461
Opportunistic Illiquid Credit	532	604
High Yield	43	155
Opportunistic Credit	1	64
Cash	90	61
Corporate Bond Fund	-	1,200
Liquid Credit	-	-
Long Lease Property	375	463
Secured Income	570	670
Liability Driven Investment	5,724	5,020
Currency Hedging	24	-70
Net Current Assets	32	50
Total assets	<u>12,429</u>	<u>17,989</u>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

**Key assumptions**

	31-Mar-23	31-Mar-22
	% per annum	% per annum
Discount rate	4.88%	2.79%
Inflation (RPI)	3.20%	3.59%
Inflation (CPI)	2.74%	3.20%
Salary Growth	3.74%	4.20%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (years)	Life expectancy at age 65 (years)
Male retiring in 2023	21.0	21.1
Female retiring in 2023	23.4	23.7
Male retiring in 2043	22.2	22.4
Female retiring in 2043	24.9	25.2

b) In September 2013, the charity joined The People's Pension Scheme as its auto enrolment scheme open to all employees. This is a defined contribution scheme. There is one other auto enrolment scheme operated with The Nest Pension, the charity joined this scheme in December 2013 and closed the scheme for any new employees who joined after 31 December 2018. The charity currently also operates a defined contribution scheme with Aegon.

c) Several employees are members of the NHS Pension Scheme; this is a defined benefit scheme active at the year end and is a multi-employer scheme. The information required is not available to separately identify the underlying assets and liabilities relating to individual employers. Contributions payable to the scheme are charged to expenditure as incurred.

d) Contributions amounting to £226K (2022 £379k) were payable to the pension funds at the year end and are included in creditors.

## **22. Related Party Transactions**

	<b>2023</b> <b>The</b> <b>Blue</b> <b>River</b> <b>Project</b> <b>£'000</b>	<b>2022</b> <b>The</b> <b>Blue</b> <b>River</b> <b>Project</b> <b>£'000</b>
Payroll and related costs incurred on behalf of The Blue River Project	-	<b>47</b>
Invoices billed by The Blue River Project for the provision of nursing services	-	<b>(47)</b>

As at 31 March 2023 Choice Support owed £0 to the Blue River Project (2022 £0)

### 23. Group Net Assets by Fund

	<b>2023 Restricted Funds £'000</b>	<b>2023 Unrestricted Funds £'000</b>	<b>2023 Total Funds £'000</b>
Tangible & Intangible Fixed Assets	16,872	13,441	30,313
Investments	-	10,609	10,609
Net Current Assets	1,477	7,915	9,392
Creditors more than 1 year	-	-	-
Pension (Liability) / Asset	-	(2,814)	(2,814)
At 31 March 2023	<b>18,350</b>	<b>29,150</b>	<b>47,500</b>
	<b>2022 Restricted Funds £'000</b>	<b>2022 Unrestricted Funds £'000</b>	<b>2022 Total Funds £'000</b>
Tangible & Intangible Fixed Assets	15,282	13,862	29,144
Investments	-	7,881	7,881
Net Current Assets	1,156	8,433	9,589
Creditors more than 1 year	-	-	-
Pension (Liability) / Asset	-	(2,811)	(2,811)
At 31 March 2022	<b>16,438</b>	<b>27,365</b>	<b>43,803</b>

### 24. Subsidiary Undertakings

The financial statements include the accounts of the following subsidiary companies, all of which (apart from those where stated otherwise) are incorporated in England and Wales and have their registered office at Compass House, 84 Holland Road, Maidstone, Kent ME14 1UT. Each entity is a subsidiary as Choice Support has 100% control.

Byways Trust (company no. 5443145, charity no. 1109825) incorporated in England has been dormant throughout the year of review.

**Choice Support**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

Choice Consultancy Services Limited, (previously mcch Services Limited) (company no. 2633299) incorporated in England has been dormant throughout the year of review.

Burgess Autistic Trust (company no. 02572568, charity number 1002023) incorporated in England has been dormant throughout the year of review and was dissolved 23 August 2022.

The Blue River Project (company no. 02656104, charity number 1029739) incorporated in England has been dormant throughout the year of review. Details of the summarised results of The Blue River Project are shown below:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Incoming Resources		47
Outgoing Resources		(53)
Surplus / New movements in funds for the year	-	(6)
Reserves brought forward	-	6
Reserves carried forward	-	-

## **25 Ultimate Parent Charity – PSG**

The Ultimate parent company is Partnership Support Group, a company (registration no 10803894) and a charity (charity registration no 1175080) registered office Compass House, 84 Holland Road, Maidstone, Kent ME14 1UT.

Copies of the consolidated financial statement can be obtained from the registered office.

## **26 Post Balance Sheet Events**

On 1 May 2023 Choice Support converted to a Community Benefit Society (registered number 9045).