



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

For the year ended 31 March 2022

Company no. 8971493

Charity no. 1156486

Contents	Page
Charity Information	1
Report of the Trustees	2 -15
Report of the Independent Auditors	16-19
Consolidated Statement of Financial Activities	20
Balance Sheet	21
Consolidated Statement of Cash flows	22
Notes to the Financial Statements	23-44

Choice Support

Board Members and Management Personnel

Charity Information - Reference and Administrative Information

Charity Name: Choice Support

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
Alison Hume
Tim Coppard
Naz Asghar
Chris Dorey (resigned 13 April 2022)
Andrea Corbett (appointed 19 May 2021, resigned 5 October 2021)
Shubhangi Karmakar (appointed 20 October 2021)

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 – Interim Chief Finance and Information Officer
Debbie Bankole - Williams Group Director - Finance and ICT
(Left 28 February 2022)

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
SW15 6AB

Report of the Trustees

Structure, Governance and Management

Structure and Governing Document

Choice Support (previously known as mcch) had been a company registered as an Industrial & Provident Society since 1987. On 1 April 2014 it converted into a charitable company limited by guarantee. It was incorporated on 1 April 2014 and registered as a charity on the same date. The charitable company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. These Articles were updated on 29 July 2021 to reflect changes in some of the subsidiaries as well as to bring consistency between companies. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

Byways Trust is a wholly owned subsidiary of Choice Support (previously known as mcch) and is registered as a charity and constituted as a company limited by guarantee. Under deeds of transfer all activity, assets and liabilities of the charity was transferred to mcch prior to or on 31 March 2016. Byways Trust is now dormant.

DGSM, a wholly owned subsidiary joined the group prior to 1 April 2016. Its assets and engagements were transferred into Choice Support (previously known as mcch) prior to or on 31 March 2016. DGSM was dissolved on 6 April 2021.

Burgess Autistic Trust, a wholly owned subsidiary joined the group on 1 April 2016. Its assets and engagements were transferred into Choice Support (previously known as mcch) on 31 March 2018. Burgess Autistic Trust was dissolved on 23 August 2022.

Merger and Change of Name

On 1 November 2017, both Choice Support (company registration number 02189556; charity registration number 298149) and mcch (company registration number 8971493; charity registration number 1156486), became wholly controlled subsidiary companies of Partnership Support Group (company registration number 10805894; charity registration number 1175080). Partnership Support Group is a company and charity incorporated on 6 June 2017, which became the sole member of both organisations for this purpose

The first step in the process for the merger of Choice Support and mcch was the conversion of Choice Support from a Registered Charity to a Community Benefit Society which completed on 19 September 2018. The second step was the transfer of the engagements of Choice Support to mcch, using the procedure available to Registered Societies for this purpose and contained in the Co-operative and Community Benefit Societies Act 2014 Act, which completed on 31 December 2018, when the activities and assets of Choice Support were transferred into mcch. Choice Support then changed its name to Choice Support 2018 Limited and mcch changed its name to Choice Support. Details of subsidiaries of the former Choice Support that were transferred to mcch are given within note 24.

Presentation of financial statements

These financial statements are those of Choice Support and its charitable subsidiary, The Blue River Project (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; 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 number of senior Board members and is attended by the Chief Executive and a Nominations Committee that oversees the recruitment of new Trustees.

Governance Review

In October the Trustees commissioned Bayes Business School to carry out a review of Governance. The review used the principles of the Charity Governance Code (July 2017 and refreshed in December 2021) to define good governance:

1. Organisational purpose
2. Leadership
3. Integrity
4. Decision making, risk and control
5. Board effectiveness
6. Equality, Diversity, and Inclusion
7. Openness and accountability

This was our first external governance review post-merger and took place in the context of a challenging operating environment, rapidly changing Government funding for social care and the pandemic. The review found the Board to be engaged, and made a range of positive recommendations including:

- Reviewing Board's appetite for risk in relation to new business opportunities
- Strengthen and enliven risk oversight for whole Board
- Greater involvement from people we support and staff in all Board Committees
- Simplify governing documents e.g. Scheme of delegated authority

Trustees have created an action plan and have already committed to change. They have approved a new Scheme of delegated authority; are creating a more dynamic risk map rather than current risk registers; approved funding for 8 new posts for people with lived experience to strengthen co production; and re structured Board Committees to ensure the voice of people we support is strengthened throughout all governance processes and meetings.

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).

Strategic Report

Strategy and Business Plan

This year we launched our new Strategy and Business Plan. Written at the start of the pandemic they have been comprehensively reviewed since their adoption in April 2021. A great deal has changed since the original versions were agreed and signed off by Trustees at the beginning of the year.

Working through a pandemic has impacted on our staff turnover and ability to recruit and retain staff. The anticipated buoyant recruitment market has not materialised, and we are struggling to find people willing to work in the sector. To mitigate this Trustees agreed to improve pay in October of this year, increasing frontline pay to £9.50 per hour. We have also invested in new ways to attract potential new recruits. Values based recruitment alongside improved pay has started to help us retain staff with turnover at 18%, and we are seeing more successful recruitment in some areas. We continue to look for ways to enhance staff pay to improve retention and recruitment.

Staff Pay

After a long period when we were unable to make across the board increase in pay, apart from the increases in the National Living Wage (NLW), we are very pleased to have made 3 pay awards to our front-line workers in a period of 11 months, totalling a 12.2% increase and again restoring a differential with the NLW. We hope that this increase will help our skilled, committed and hardworking front-line

colleagues manage the impact of the “cost of living crisis”, whilst also helping the organisation address the challenges of recruitment and retention, in a tight labour market.

We also extended our attendance bonus, worth up to £600 a year to all groups of employees and will monitor its effectiveness in keeping our absence rates low. We will continue to explore new ways to make our terms and conditions more attractive for our people, within the constraints of our resources.

Staff Recruitment and Retention

We (along with other social care providers) are continuing to struggle to recruit and retain good quality staff in a very tight labour market and, as a result, agency usage is increasing.

We have taken a wide range of actions to try to manage the situation, including improving our rates of pay and recruiting continually in different and innovative ways. These are helping, however the fundamental issues are outside our control and affect the wider economy.

Delivering our aims in a pandemic

The COVID 19 pandemic was a strong test of individual and organisational commitment to our purpose, vision, and values. Our vision of ‘a world where everybody matters and everybody cares’ was underpinned by our organisational purpose of ‘creating opportunities for happiness’. Maintaining a focus on these areas was our priority as we navigated the second year of the pandemic. We continued to ensure the safety of the people we support. We committed to train all senior staff and managers in Mental Health First Aid and achieved just over 50% in our first year. We launched a new Wellbeing Strategy which won an award in the Great Places to Work scheme. Trustees commissioned an external Safeguarding Review carried out by the Ann Craft Trust to examine our practice as we learnt to live and work with COVID 19.

We spent time thinking about what the leadership needed to deliver our vision, purpose, and values:

We Care - We care about people and stand up for what is right.

We Respect - We are open and honest and value people for who they are.

We Learn - We listen, we work together, and we continue to improve.

We Lead - We are experts at what we do and make good ideas happen.

We focused on building a culture of empowering and trusting our staff, encouraging creativity, and exploring more autonomous ways of working. This meant we did more than keep people safe, we supported people to live their lives and connect in new ways with their communities.

PPE (Personal Protective Equipment)

Continuing to ensure that everyone kept safe during the pandemic was a priority. PPE has continued to be free from local authority/government in response to continuing to minimise the spread of infection. In some services the provision of PPE may not have been the most appropriate, for example some staff require transparent masks/shield to ensure the people we support understand these were purchased from the infection control budgets in the service as not covered by the free supplies. Any update from the government in relation to the infection prevention guidance has been shared and disseminated via our Covid briefing.

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 working to become a more purposeful employer that provides opportunities for happiness for people. We have recently started an area wide pilot of purposeful working in Wakefield, with a new structure of empowered teams, supported by coach leads and local professional experts. A previous pilot in a single service was very successful in delivering good outcomes for the people we support, happier staff and financial savings, which were reinvested to improve the service and reward the team. We hope that those results will be replicated on a larger scale.

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

We were very pleased to again be accredited as a UK Best Workplace, a Best Place to Work for Women, a Great Place to Work in the super large category and, for the first time, a Best Workplace for Wellbeing.

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 action plan including: producing a menopause guide for managers and colleagues, been accredited as a Menopause Friendly employer, held several "time to talk" sessions about the menopause, established a national network of health and wellbeing ambassadors amongst our employees, trained over 50% of senior staff and managers in Mental Health First Aid and promoted health and wellbeing through our internal communication channels. We are now running financial wellbeing workshops to assist our employees manage the impact of the cost of living crisis.

Employees with disabilities

We are 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

Equality, Diversity. Inclusion and Belonging (EDIB)

In 2020 the Board of Trustees allocated funding to develop EDIB to create a golden thread throughout our work. In 2021/22 we have made some real progress starting with a co-produced EDIB action plan. We have created and shared our Anti Racist and Human Rights Act Statements of intent and set up vibrant employee networks. Our Diverse Voices, LGBTQ+ and Young People networks are helping us understand the day-to-day experiences of our staff; challenge poor practice and create a more inclusive workplace. 2021 saw us introduce a range of new training for our workforce that includes unconscious bias; addressing racial inequality; LGBTQ+ in the workplace; trans awareness. We also launched a NVQ programme in Management and Leadership specifically for staff from Black and Asian minority ethnic communities. This year we published our first EDIB Annual report and were awarded a bronze award following a Talent Inclusion and Diversity evaluation. We still have much work to do but feel we are on our way to achieve the golden thread of EDIB throughout our work.

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.

Following the easing of Covid restrictions we have returned to some face to face training, but we continue to deliver the majority of training using webinars and e-learning. Training compliance remains a priority and we are working hard to catch up following the disruption caused by Covid restrictions.

During the year we supported 59 employees to start an apprenticeship programme and 39 employees successfully completed their apprenticeships. 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 pleased to have fully utilised our apprenticeship levy with no expired funds.

We are pleased to have supported the organisation's work on Diversity and Inclusion through training for managers in unconscious bias, developing a range of new e-learning modules, supporting

colleagues to complete the Skills for Care moving up programme (a leadership development programme for black, Asian and minority ethnic employees) and the Chartered Management Institute level 3 Apprenticeship for Black, Asian and Minority Ethnic colleagues.

One cohort of the LeaD internal leadership development programme has been delivered with another due to start.

Our L&D activities were also successful in generating income from the Workforce Development Fund, that was reinvested into the training and development of our employees. We were also part of the Oliver McGowan Partnership which helped develop national mandatory learning disability/autism training.

Transformation

Improved pay is helping staff recruitment and retention, but this is a wider issue than just money. 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 people in the years to come.

We have continued to build on our transformation of service delivery and this year scaled up our original prototype team and extended it to our entire contract in Wakefield – income of £7 million. 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 can see changes in the way people feel about their work and are delivering better outcomes for the people we support. This was tested out in an empathy study carried out by an external organisation comparing our prototype team with representatives from support functions. The study showed staff working in this new way were happier and more fulfilled in their roles.

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.

UK unemployment did rise slightly during the pandemic but fortunately did not reach anywhere near the predicted levels. The reopening of the economy as national restrictions were relaxed resulted in a significant increase in hiring in most sectors of the economy resulting in an increase in job opportunities and labour shortages and wage inflation that Choice Support has not been able to keep pace with. We have lost skilled and dedicated staff to less rewarding jobs due to our inability to match pay on offer elsewhere. This combined with an escalating cost of living crisis, has resulted in an increase in staff turnover and increasing difficulty recruiting good quality staff at all levels.

The National Living Wage increased by 6.6% on 1 April 2022 and with inflation predicted to peak at over 7% the upward pressure on wages is expected to continue for some time and is unlikely to be matched by a corresponding increase in fee income. The net effect of these unexpected pressures on the labour market is an increased difficulty recruiting and retaining good people and further pressure on our finances. 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.

Prototype teams

We will begin the transformation of our Wakefield services towards autonomous working and a leadership team will be formed. The structure in Wakefield will significantly change with representatives from other departments (IT, learning and development, human resources, quality, behavioural support, finance, etc) joining together to support teams. The traditional management structure will change, and the team will also include the position of a confirmation practice innovator/lead. Confirmation practice is an alternative to supervision. The pathfinder (someone who is helping to navigate the new ways of working) will also working closely with the leadership team. Early indications show positive co-working.

As there is no current way of measuring the increase of staff feeling empowered and autonomous, we are hearing stories directly from front line teams and individuals about the impact of the changes we are making and these provide clear indicators that we are on the right path. There has been the start of a real shift from traditional management ways of working to one where managers are flexibly responding to what is happening in real time.

The leadership team in Wakefield are currently inviting people who use services to become an active part of the Wakefield leadership group and to be involved and influence decision making based on purpose.

Regional managers from the north will lead on transformation in those areas and are supporting colleagues from London, along with pathfinders, to start working with their managers and teams. This is freeing up one pathfinder to work more with regional managers and teams in the south.

The ultimate outcome will be that all individuals in the organisation will work towards purpose and purpose will guide decisions.

Supporting people outside of hospitals

We continue our commitment to supporting people to leave hospital and return to their communities. Our complex care lead has been working with families, teams, and health/social care professionals to design bespoke support for people with complex needs. We were able to showcase some of this work captured in the stories of individuals at the NHS Confederation Mental Health Conference this year. After decades in hospital for one individual we are able to demonstrate what can be achieved if we commit to working collaboratively and in co-production with people and their families.

People needing support, and their families, often struggle to get the right advice on housing and support, it can be very complicated. Our housing team have been providing advice to help find individual housing solutions. We are currently focusing our building development to meet the NHS Transforming Care programme. This aims to help people with the highest support needs to live in the community, with the right support, and close to home. Last year we completed the build of 6 new homes in Kirklees. This year we are working with Nottingham and Durham on similar schemes to bring people back home. Our

work in this space was captured in a publication we authored for the CQC called 'Home for Good'. The report outlines the ingredients needed for successful community support for people with learning disabilities autism and mental health. It shares the stories of 8 people who left Assessment and Treatment Units and now live happy fulfilled lives close to family and friends.

Promoting rights of the people we support

A key part of our strategic plan is to campaign for the rights of the people we support. The pandemic slowed down some of our plans but 2021 saw a move towards improving inclusion and representation for the individuals we support.

We already have a strong tradition of employing Experts by Experience to help us judge the quality of our work. This year we held co-production events with people we support from all geographical areas. These events worked towards producing our new Involvement Strategy. We completed a review of the, Our Rights group with a new focus as a self-advocate group. We recruited new members (who are paid for their time) who attended a leaders training and self-advocacy programme. The Trustees also approved a new budget to recruit 8 local leads for the Involvement Strategy.

2021/22 has seen a focus on our campaigning to improve health, wellbeing and life expectancy of people we support through sharing information via our new Health in Action Group; increasing awareness; proactive management of health checks and opportunities to develop self-management skills. We now have a health expert group and a celebration of life group with the aim to better equip people with the skills needed to support changing health needs. This has been opened to people we support to offer advice and get a better perspective on 'how I live with that condition'.

The experience of admission to hospital can be extremely stressful for many people we support. This is made worse if important documents like hospital passports, Do Not Resuscitate forms and personal belonging are routinely mislaid or misused. Our staff in Wakefield have been awarded over £50k in partnership with the CCG and NHSE to trial the provision of VIP Red Bags for adults with learning disabilities across the area. The VIP Red Bag holds all these documents in one place. By providing the right information, healthcare professionals are better able to understand the person they are treating and can adjust the care they provide, making it a less anxious experience.

The supported loving campaign has gone from strength to strength. We launched the supported loving tool kit - the largest free resource in England to help support issues surrounding sexuality and relationships. Following on from the work we did with the CQC in 2020 on their review and subsequent report 'promoting sexual safety through empowerment', we have collaborated this year with the DHSC, CQC and Skills for Care. The collaboration has compiled resources to best support care and support staff to discuss matters of sexuality and intimate relationships.

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 successfully submitted another bid for a further year's grant funding of £34,000 from the Kent Police and Crime Commissioner for our Jigsaw project, supporting the awareness and reporting of hate crime against people with learning disabilities, mental health and those who are disadvantaged, enabling us to develop a new offer for the people of Kent. This has been retained until March 2023.

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.

**Choice Support
Trustees' Report and Strategic Report
For Year Ended 31 March 2022**

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 2022 have shown an increase as shown in the table below, this is mainly due to the lifting of the covid restrictions and business as usual.

Metric	2019/20	2020/21	2021/22	% change from baseline year	% change from previous year
Total Tonnes CO₂e	1,875.69	1,429.62	1,569.41	-16.3%	+9.8%
Tonnes of CO₂e per employee	0.76	0.54	0.60	-20.9%	+12.0%
Tonnes of CO₂e per £M turnover	29.20	22.22	24.00	-17.8%	+8.0%

The table below summarises the GHG emissions for the reporting year 1 April 2021 to 31 March 2022.

Scope	Activity	Location-Based 2020/21 (tCO ₂ e)	2021/22 tCO ₂ e
Scope 1	Site gas	983.53	1,010.92
	Owned Vans	-	39.86
	Company car travel	-	27.21
Scope 1 Sub Total		983.53	1,077.98
Scope 2	Electricity generation	320.61	411.27
Scope 2 Sub Total		320.61	411.27
Scope 3	Employee-owned car travel (grey fleet)	18.96	43.75
	Electricity transmission & distribution	27.57	36.40
Scope 3 Sub Total		46.53	80.15
Total tonnes of CO₂e		1,350.67	1,569.41
Tonnes of CO₂e per employee		-	0.60
Tonnes of CO₂e per £M turnover		-	24.00
Total Energy Consumption (kWh)*		6,809,153.92	7,951,482

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee owned vehicles (grey fleet).

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 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. We report on risks and mitigating action to our Finance, Risk and Audit committee (FRA committee) and our Board of Trustees. Work is currently under way to review this area to ensure it stays relevant and useful to the organisation.

The FRA committee:

- reviews the charity's risk registers at least annually and strategic risks at each meeting;
- identifies significant changes, including events that might increase the probability of risks crystallising and advises 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 £4,197k for the financial year ending 31 March 2022 (2021: a surplus of £1,287k) before transfers between reserves and the pension actuarial adjustment.

Total income of £65.3m represents a slight increase on the previous year. Total expenditure of £61.2m was £2.6m lower than the previous year (£63.8m). Excluding the exceptional item relating to the settlement of the Bexley Pension scheme in 2021 (£1.0m) expenditure has reduced by 2.5%. This expenditure does not include the £446k pension actuarial gain in the year compared to a pension actuarial loss of £2,554k in the previous year. During the year COVID related grant income totalled £1.8m all of which was utilised in the 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. This has impacted on our ability to operate financial sustainable services and has resulted in an increased number of contract hand backs to Local Authority.

In spite of this, our financial position remains sound. Net assets after allowing for the pension liability are £44m, an increase of 12% on the previous year. Excluding the pension liability, net assets increased by 9%.

Reserves of £43,803 existed at end of March 2022. These included £16,438k of restricted reserves, £16,196 of designated reserves and £11,169k of un-restricted reserves. Designated reserves relate, in the main, to the property portfolio of the Charity. There is a small amount, £72k, of funding that relates to an Amenity fund which is accessed by services as required.

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.

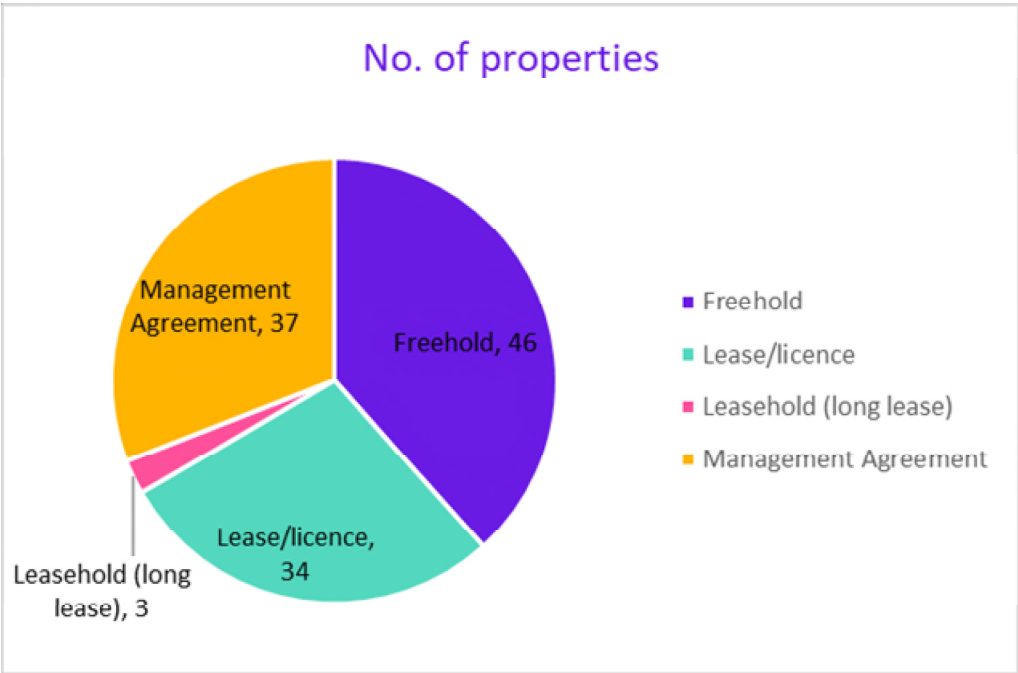
The largest area of expenditure is staff costs directly attributed to meeting the care and support needs of service users. Expenditure has been incurred in the key area of central management where staff report under functionality directorates to provide vital support, administration and management information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

Property portfolio

Choice Support owns and manages approximately 120 properties across 28 plus separate local authorities comprised of 12 day and social enterprise services, 10 main and regional supporting offices and 98 residential properties (dwellings) with a total of 503 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	173
Lease/licence	34	118
Leasehold (long lease)	3	24
Management Agreement	37	188
Grand Total	120	503

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

During the year, the board of Trustees reviewed the charity's requirements for reserves taking into consideration the main risks facing the organisation and the Charity Commission guidance on the subject. Trustees are mindful of the need for further reserves to support future capital investment, working capital requirements to support new initiatives, any potential repayment of capital grants, other legislative changes, and the continuing financial pressures within the social care sector.

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 2022-23 are £9.1m. Six months is equivalent to £4.5m.

Reserves at March 22 were as follows:	£'000's
Restricted Funds	16,438
Designated Funds	16,196
Pension Scheme	(2,811)
General	13,980
Total Reserves	43,803
Less :	
Restricted Funds related to Capital Grants	15,428
Other Restricted Funds	1,010
Designated Funds relating to property assets	16,124
Legacy & donation funds	72
Free Reserves	11,169

The Board of Trustees have taken the decision to invest part of the free reserves in above inflation pay increases and a cost of living bonus 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 14 December 2022 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 2022 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 2022 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.

**Choice Support
Report of the Independent Auditors
For Year Ended 31 March 2022**

- 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.

**Choice Support
Report of the Independent Auditors
For Year Ended 31 March 2022**

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

12 January 2023

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

6th Floor
9 Appold Street
London
EC2A 2AP

**Choice Support
Consolidated Statement of Financial Statements
For the year ended 31 March 2022**

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

	Notes	Unrestricted Funds 2022 £000's	Restricted Funds 2022 £000's	Total Funds 2022 £000's	Unrestricted Funds 2021 £000's	Restricted Funds 2021 £000's	Total Funds 2021 £000's
Income							
Donations and legacies		-	-	-	59	54	113
Capital grant funding		-	484	484	-	600	600
Other trading activities(shops)		129	-	129	8	-	8
Profit on disposal of Fixed Assets		87	-	87	-	-	-
Other income		276	-	276	90	-	90
Income from investments		66	-	66	94	-	94
Income from charitable activities:				-			
Learning Disability and Mental Health		59,384	86	59,470	59,623	-	59,623
Housing		3,224	-	3,224	3,240	-	3,240
Experts by Experience		1,658	-	1,658	1,272	-	1,272
				-			
Total income	4	64,824	570	65,394	64,386	654	65,040
Expenditure							
Expenditure on raising funds							
Fundraising costs				-	-	-	-
Trading costs (shops)		123	-	123	26	-	26
Expenditure on charitable activities							
Learning Disability and Mental Health		56,547	24	56,571	58,431	36	58,467
Housing		2,494	639	3,133	2,770	501	3,271
Experts by Experience		1,401		1,401	1,042	-	1,042
Exceptional Items:							
Pension Settlement Charge	6		-	-	1,043	-	1,043
Total expenditure	7	60,565	663	61,228	63,312	537	63,849
Net (losses) / gains on investments	12	31	-	31	96	-	96
Net Income/(Expenditure)	5	4,290	(93)	4,197	1,170	117	1,287
Transfer between funds	18	-	-	-	-	-	-
Pension scheme actuarial gain/(loss)	17	446		446	(2,554)		(2,554)
Net movement in funds		4,736	(93)	4,643	(1,384)	117	(1,267)
Funds at the start of the year		22,629	16,531	39,160	24,013	16,414	40,427
Funds at the end of the year		27,365	16,438	43,803	22,629	16,531	39,160

The notes on pages 24 to 44 form part of these financial statements

**Choice Support
Balance Sheet
For the year ended 31 March 2022**

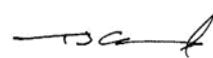
Consolidated Balance Sheet		Charity		Group	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
	Notes				
FIXED ASSETS					
Intangible Assets	11	25	90	25	90
Tangible Assets	11	29,119	29,327	29,119	29,327
		<u>29,144</u>	<u>29,417</u>	<u>29,144</u>	<u>29,417</u>
INVESTMENTS					
Investments	12	633	590	633	590
Long Term Deposits	12	7,248	7,027	7,248	7,027
CURRENT ASSETS					
Stock	13	-	9	-	9
Debtors	14	6,791	7,834	6,791	7,834
Cash in bank and in hand		9,508	5,233	9,508	5,233
		<u>16,299</u>	<u>13,076</u>	<u>16,299</u>	<u>13,076</u>
CREDITORS : Amounts falling due within one year					
	15	(6,710)	(6,873)	(6,710)	(6,867)
NET CURRENT ASSETS					
		9,589	6,203	9,589	6,209
CREDITORS : Amounts falling due in more than one year					
	16	-	(348)	-	(348)
NET ASSETS excluding pension liability					
		46,614	42,889	46,614	42,895
Pension Liability	17	(2,811)	(3,735)	(2,811)	(3,735)
NET ASSETS including pension liabilities					
		<u>43,803</u>	<u>39,154</u>	<u>43,803</u>	<u>39,160</u>
CAPITAL and RESERVES					
	18				
Restricted		16,438	16,531	16,438	16,531
Designated		16,196	16,100	16,196	16,100
Pension		(2,811)	(3,735)	(2,811)	(3,735)
General		13,980	10,258	13,980	10,264
		<u>43,803</u>	<u>39,154</u>	<u>43,803</u>	<u>39,160</u>

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 2022 was £4,197k (2021: £1,287k)

The financial statements on pages 20 to 44 were approved and authorised for issue by the Board of Directors on 14 December 2022



Oliver Mills Chairman



Tim Coppard Trustee

Company No. 8971493

Choice Support
Consolidated Statement of Cashflows
For the year ended 31 March 2022

Consolidated Statement of Cash Flows For the year ended 31 March 2022	Group 2022 £'000	Group 2021 £'000
Cash Flows from operating activities		
Net cash (used in) / Provided by operating activities	<u>4,661</u>	<u>3,170</u>
Cash flows from investing activities		
Interest Receivable	66	94
Payments to acquire tangible fixed assets	(757)	(1,383)
Payments to acquire intangible fixed assets	(33)	-
Sale proceeds from disposal of fixed assets	570	-
Purchase of investments	-	-
Proceeds from disposal of investments	1	1
Net Investment in long term deposits	<u>(221)</u>	<u>(876)</u>
Net cash outflow from investing activities	(374)	(2,164)
Net change in cash and cash equivalents in the reporting period	4,287	1,006
Cash and cash equivalents at 1 April 2021	5,292	4,286
Cash and cash equivalents at 31 March 2022	<u>9,579</u>	<u>5,292</u>
Analysis of cash and cash equivalents		
Cash in hand and bank	9,508	5,233
Cash held at investment managers	<u>71</u>	<u>59</u>
	<u>9,579</u>	<u>5,292</u>
Reconciliation of net income / (expenditure) to net cash flow from operating activities	2022 £'000	2021 £'000
Net Income	4,197	1,287
Interest receivable	(66)	(94)
Depreciation of fixed assets	482	479
Amortisation of intangible assets	98	285
Unrealised gains on investments	(31)	(96)
(Gain)/Loss on sale of assets	(87)	320
Net movement in pension scheme	(478)	(507)
Decrease / (Increase) in stocks	9	13
Decrease / (Increase) in debtors	1,043	427
(Decrease) / Increase in creditors	<u>(506)</u>	<u>1,055</u>
	<u>4,661</u>	<u>3,170</u>

1. Accounting Policies

Status

The charity is 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 COVID-19 together with the impact of expected increases in 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.

Basis of consolidation

The consolidated accounts comprise those of Choice Support with those of its sole active subsidiary, The Blue River Project.

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.

Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022

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. 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

Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022

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 are 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 11 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 £65m (2021 £65m) with a surplus of £4,197k for the year before pension actuarial losses and opening adjustments (2021: a surplus of £1,287k).

Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022

4. Income

	2022	2021
	£'000	£'000
Fundraising and donations	61	113
Capital Grant funding	484	600
Supported Living and Individualised services	41,618	41,601
Registered Care	12,252	12,338
Housing	3,224	3,239
Experts by Experience	1,658	1,114
Community support	392	493
Engagement Services	2,359	2,258
Employment Services	469	499
Social Enterprises	745	719
Trading	3	4
COVID 19 Funding	1,825	1,433
Furlough Funding	61	445
Other income	90	90
Investment income	66	94
Profit on disposal of fixed assets	87	-
	<u>65,394</u>	<u>65,040</u>

5. Net Income for the Year

	2022	2021
	£'000	£'000
This is stated after charging:		
Depreciation	484	479
Amortisation	98	285
Operating Lease rentals	1,022	1,079
Net profit / (loss) on disposal of fixed assets	87	(320)

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. At 31 March 2022 two of the three instalments has been paid with a final payment of £346,700 due by 30 September 2022 this is included in other creditors.

**Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022**

7. Operating Expenditure

2022				
Group	Direct costs, staff £'000	Direct costs, non-staff £'000	Support Costs (note 8) £'000	Group Total 2022 £'000
Cost of generating voluntary income	6	104	13	123
Direct charitable activities:				
Learning Disability ,Autism & Mental Health	45,751	2,057	8,761	56,569
Housing	492	2,313	332	3,137
Experts by Experience	1,048	181	170	1,399
Total	<u>47,297</u>	<u>4,655</u>	<u>9,276</u>	<u>61,228</u>
2021				
Group	Direct costs, staff £'000	Direct costs, non-staff £'000	Support Costs (note 8) £'000	Group Total 2021 £'000
Cost of generating voluntary income	6	17	3	26
Direct charitable activities:				
Learning Disability ,Autism & Mental Health	44,648	4,830	8,989	58,467
Housing	468	2,429	374	3,271
Experts by Experience	693	235	114	1,042
Exceptional Item : Pension Settlement Charge	-	-	1,043	1,043
Total	<u>45,815</u>	<u>7,511</u>	<u>10,523</u>	<u>63,849</u>

8. Support Costs

2022

	Learning Disability , Autism & Mental Health £'000	Housing £'000	Experts by Experience £'000	Fundraising & Donations £'000	Group 2022 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>

2021

	Learning Disability , Autism & Mental Health £'000	Housing £'000	Experts by Experience £'000	Fundraising & Donations £'000	Group 2021 Total £'000
Local Costs	1,129	-	-	-	1,129
Area Costs	1,440	-	-	-	1,440
Central Costs	6,420	374	114	3	6,911
Total	<u>8,989</u>	<u>374</u>	<u>114</u>	<u>3</u>	<u>9,480</u>

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.

Support costs include the following governance costs:

	2022 £'000	2021 £'000
Trustee expenses		1
Fees payable to current auditors		
- Audit Services – current year	88	89
- Tax and other non- audit services	1	1
Total Governance Costs	<u>89</u>	<u>91</u>

9. Staff Costs

	2022 £'000	2021 £'000
Wages & Salaries	45,448	46,225
Social security costs	3,951	3,984
Pension costs	1,312	1,405
Redundancy and termination costs	588	89
	<u>51,299</u>	<u>51,702</u>
Agency	1,977	1,155
Total	<u>53,276</u>	<u>52,858</u>

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

	2022 No	2021 No
Care staff	2,444	2,569
Management and administration staff	164	136
	<u>2,608</u>	<u>2,705</u>

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

	2022	2021
60,001 - £70,000	3	1
£70,001 - £80,000	-	-
£80,001 - £90,000	2	2
£90,001 - £100,000	3	3
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-
£150,000 - £160,000 *	1	-

* 2022 includes redundancy payments

10. Trustees and Key Management Personnel

There are 8 trustees serving at 31 March 2022, (2021:8) No trustee received any remuneration or benefit in kind during the year or the prior year. Travel expenses reimbursed to no trustees (2021:8) amounted to £0k (2021: £1k).

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

	2022	2021
	£'000	£'000
Total paid to key management personnel	871	787

11. FIXED ASSETS

A) Tangible fixed assets, Year ended 31 March 2022

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
Cost					
At 1 April 2021	591	29,551	2,301	688	33,131
Transfer	(725)	725	-	-	-
Additions	647	-	-	110	757
Disposals	-	(508)	-	-	(508)
At 31 March 2022	513	29,768	2,301	798	33,380
Depreciation					
At 1 April 2021	-	2,756	469	579	3,804
Charged in the year	-	358	43	81	482
Disposals	-	(25)	-	-	(25)
At 31 March 2022	-	3,089	512	660	4,261
Net Book Value at 31 March 2022	513	26,679	1,789	138	29,119
Net Book Value at 31 March 2021	591	26,795	1,832	109	29,327

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

**Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022**

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) Tangible fixed Assets, Year End 31 March 2021

Charity and Group	Housing Development	Freehold land and buildings	Leasehold land and buildings	Fixtures, fittings, office & equipment and vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	1,285	27,905	2,301	583	32,074
Transfer	(1,972)	1,972	-	-	-
Additions	1,278	-	-	105	1,383
Disposals	-	(326)	-	-	(326)
At 31 March 2021	<u>591</u>	<u>29,551</u>	<u>2,301</u>	<u>688</u>	<u>33,131</u>
Depreciation					
At 1 April 2020	-	2,401	426	503	3,330
Charged in the year	-	360	43	76	479
Disposals	-	(5)	-	-	(5)
At 31 March 2021	<u>-</u>	<u>2,756</u>	<u>469</u>	<u>579</u>	<u>3,804</u>
Net Book Value At					
31 March 2021	<u>591</u>	<u>26,795</u>	<u>1,832</u>	<u>109</u>	<u>29,327</u>

C) Intangible Fixed Assets

Intangible Fixed Assets

Charity and Group

	2022	2021
	Software	Software
	£'000	£'000
Cost		
At 1 April	1,485	1,485
Additions	33	-
Disposals	-	-
At 31 March	<u>1,518</u>	<u>1,485</u>
Amortisation		
At 1 April	1,395	1,110
Charged in the year	98	285
Disposals	-	-
At 31 March	<u>1,493</u>	<u>1,395</u>
Net Book Value at		
31 March	<u>25</u>	<u>90</u>

12. Investments

	Charity and Group 2022 £'000	Charity and Group 2021 £'000
Listed investments		
Market value at 1 April	531	436
Additions at cost	-	-
Disposals (proceeds: £1,439, gains: £224)	(1)	(1)
Unrealised (losses)/gains	31	96
Market value as at 31 March	<u>561</u>	<u>531</u>
Cash held for reinvestment	72	59
Total Investments	<u>633</u>	<u>590</u>
Cash held in long term deposits	7,248	7,027
Total investments and long term deposits	<u>7,881</u>	<u>7,617</u>
Cost of listed investments (excluding cash at 31 March)	<u>496</u>	<u>496</u>

As at 31 March 2022 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)	<u>561</u>	<u>100</u>

13. Stocks

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Goods for resale	<u>0</u>	<u>9</u>	<u>0</u>	<u>9</u>

14. Debtors

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors and grants	4,429	4,277	4,429	4,277
Prepayments & Accrued Income	2,188	3,487	2,188	3,487
Other Debtors	174	70	174	70
	<u>6,791</u>	<u>7,834</u>	<u>6,791</u>	<u>7,834</u>

15. Creditors: Amounts falling due within one year

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	1,049	943	1,049	943
Accruals	2,486	2,709	2,486	2,716
Deferred income	871	925	871	925
Tax and social security costs	1,152	964	1,152	966
Client monies	261	308	261	308
Amounts owed to group undertakings	-	15	-	-
Other creditors	891	1,009	891	1,009
	<u>6,710</u>	<u>6,873</u>	<u>6,710</u>	<u>6,868</u>

Movement in Deferred Income

Deferred Income at beginning of year	925	1,042	925	1,042
Income recognised in year	(925)	(1,042)	(925)	(1,042)
Income deferred in the current year	871	925	871	925
Income Deferred at end of year	<u>871</u>	<u>925</u>	<u>871</u>	<u>925</u>

Included within Other creditors for the charity are amounts totalling £379k in respect of outstanding pension contributions (2021 £590k)

16. Creditors : Amounts falling due in more than one year

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due in more than one year:				
Bexley Pension creditor (note 6)	-	348	-	348
	<u>-</u>	<u>348</u>	<u>-</u>	<u>348</u>

Long Term Creditors are repayable as follows:

	2022 £'000	2021 £'000
Due within one year	347	347
Between two and five years	-	348
Total amount due	<u>347</u>	<u>695</u>
Less : due within one year	<u>(347)</u>	<u>(347)</u>
Amount due after one year	<u>-</u>	<u>348</u>

17. Pension Liability

	2022 £'000	2021 £'000
Actuarial gain/(loss) - SHPS	<u>924</u>	<u>(2,554)</u>
	<u>924</u>	<u>(2,554)</u>

17. Pension Liability (continued)

	Charity and Group 2022 £'000	Charity and Group 2021 £'000
Re SHPS - NPV of deficit reduction plan future liability		
(Deficit) at the beginning of year	(3,735)	(1,688)
Employer Contributions	568	557
Net Interest / return on assets	(90)	(50)
Actuarial (loss) / gain *	446	(2,554)
SHPS pension liability	<u>(2,811)</u>	<u>(3,735)</u>
Total Pension Liability	<u>(2,811)</u>	<u>(3,735)</u>

Charity and Group 2022 £'000	Charity and Group 2021 £'000
---	---

Amounts recognised within net income in the Statement of Financial Activities in respect of the defined benefit schemes are:

Employer contributions	568	557
Net Interest / Return on assets	(90)	(50)
	<u>478</u>	<u>507</u>

18. Movement in Funds

	Brought Forward	Income	Expenditure	Transfers , Gains & Losses	Total Funds
2022 : Group & Charity	£'000	£'000	£'000	£'000	£'000
Restricted Reserves					
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
Total Restricted : Group & Charity	16,531	570	(663)	-	16,438
Designated Reserves					
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
Total Designated : Group & Charity	16,100	-	(260)	356	16,196
Pension Reserves : Group & Charity	(3,735)	-	478	446	(2,811)
Group General Reserves	10,264	64,856	(60,784)	(356)	13,980
	6,529	64,856	(60,306)	90	11,169
Group Total Reserves	39,160	65,426	(61,229)	446	43,803
Charity Total Reserves	39,154	65,426	(61,229)	446	43,797

18. Movement in Funds (continued)

	Brought Forward	Income	Expenditure	Transfers, Gains & Losses	Total Funds
	£'000	£'000	£'000	£'000	£'000
2021 : Group & Charity					
Restricted Reserves					
Fixed assets acquired through capital grants	14,749	-	(501)	1,256	15,504
Capital grants received for housing developments	708	600	-	(1,256)	52
Fundraising, Legacy and donations	521	54	(36)	-	539
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
Total Restricted : Group & Charity	16,414	654	(537)	-	16,531
Designated Reserves					
Fixed assets not acquired through capital grants	14,370	-	(584)	127	13,913
Depreciated capital grant fund	1,025	-	177	-	1,202
Legacy and donations	72	-	-	-	72
Sinking fund	759	-	-	127	886
Property disposal surplus	27	-	-	-	27
Total Designated : Group & Charity	16,253	-	(407)	254	16,100
Pension Reserves : Group & Charity	(1,688)	-	507	(2,554)	(3,735)
Group General Reserves	9,448	64,386	(63,316)	(254)	10,264
	7,760	64,386	(62,809)	(2,808)	6,529
Group Total Reserves	40,427	65,040	(63,753)	(2,554)	39,160
Charity Total Reserves	40,421	65,040	(63,753)	(2,554)	39,154

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 unspent donations and legacies that have been received for restricted purposes.
Other restricted funds	Other restricted funds represent monies raised/received for named projects or transferred in from subsidiary charities during merger.

**Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022**

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

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for	5,405	45	5,405	45
Authorised but not contracted for	-	-	-	-
	<u>5,405</u>	<u>45</u>	<u>5,405</u>	<u>45</u>

The commitment above include £5,405k (2021 : £45k) relating to the development of properties in order to provide additional housing facilities to enable the charity to meet its housing strategy. These commitments will be matched by the receipt of capital grants.

20. Commitments under operating leases

	Group	
	2022 £'000	2021 £'000
Land and Buildings		
Payable in the first year	411	613
Payable between 3 and 5 years	657	450
Payable after five years	83	29
	<u>1,151</u>	<u>1,092</u>
Office Equipment		
Payable in the first year	108	109
Payable between 3 and 5 years	193	167
Payable after five years	-	-
	<u>301</u>	<u>276</u>
Vehicles		
Payable in the first year	49	49
Payable between 3 and 5 years	17	17
Payable after five years	-	-
	<u>66</u>	<u>66</u>

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 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.

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-22 £'000	31-Mar-21 £'000
Defined benefit obligation at start of period	21,675	17,869
Expenses	16	17
Interest expense	461	420
Actuarial losses (gains) due to scheme experience	1,012	(291)
Actuarial losses (gains) due to changes in demographic assumptions	(332)	78
Actuarial losses (gains) due to changes in financial assumptions	(1,569)	3,995
Benefits paid and expenses	(463)	(413)
Defined benefit obligation at end of period	20,800	21,675

Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022

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

	31-Mar-22 £'000	31-Mar-21 £'000
Fair value plan assets at start of period	17,940	16,181
Interest income	387	387
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(443)	1,228
Contributions by the employer	568	557
Contributions by plan participants	-	-
Benefits paid and expenses	<u>(463)</u>	<u>(413)</u>
Fair value of plan assets at end of period	17,989	17,940

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was (£56,000), (2021: £1,615,000)

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

	31-Mar-22 £'000	31-Mar-21 £'000
Expenses	16	17
Net interest expense	<u>74</u>	<u>33</u>
Defined benefit costs recognised in statement of comprehensive income (SoCl)	90	50

Defined benefit costs recognized in other comprehensive income

	31-Mar-22 £'000	31-Mar-21 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(443)	1,228
Experience gains and losses arising on the plan liabilities - gain (loss)	(1,012)	291
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	332	(78)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	<u>1,569</u>	<u>(3,995)</u>
defined benefit obligation - gain (loss)		
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	446	(2,554)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	<u>-</u>	<u>-</u>
Total amount recognised in other comprehensive income - gain (loss)	<u>446</u>	<u>(2,554)</u>

**Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022**

Assets

	31-Mar-22	31-Mar-21
	£'000	£'000
Global Equity	3,452	2,859
Absolute Return	722	990
Distressed Opportunities	644	518
Credit Relative Value	598	565
Alternative Risk Premia	593	676
Fund of Hedge Funds	0	2
Emerging Markets Debt	523	724
Risk Sharing	592	653
Insurance-Linked Securities	419	431
Property	486	373
Infrastructure	1,282	1,196
Private Debt	461	428
Opportunistic Illiquid Credit	604	456
High Yield	155	537
Opportunistic Credit	64	492
Cash	61	0
Corporate Bond Fund	1,200	1,060
Liquid credit	0	214
Long Lease Property	463	352
Secured Income	670	746
Liability Driven Investment	5,020	4,559
Currency Hedging	-70	0
Net Current Assets	50	109
Total assets	17,989	17,940

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-22	31-Mar-21
	% per annum	% per annum
Discount rate	2.79%	2.15%
Inflation (RPI)	3.59%	3.29%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (years)	Life expectancy at age 65 (years)
Male retiring in 2022	21.1	21.6
Female retiring in 2022	23.7	23.5
Male retiring in 2042	22.4	22.9
Female retiring in 2042	25.2	25.1

c) 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

**Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022**

for any new employees who joined after 31 December 2018. The charity currently also operates a defined contribution scheme with Aegon.

d) 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.

e) Contributions amounting to £379K (2020/21: £590k) were payable to the pension funds at the year end and are included in creditors.

22. Related Party Transactions

	2022	2021
	The Blue	The Blue
	River	River
	Project	Project
	£'000	£'000
Payroll and related costs incurred on behalf of The Blue River Project	47	66
Invoices billed by The Blue River Project for the provision of nursing services	(47)	(66)

As at 31 March 2022 Choice Support owed £0 to the Blue River Project (2021 £14,855)

23. Group Net Assets by Fund

	2022 Restricted Funds £'000	2022 Unrestricted Funds £'000	2022 Total Funds £'000
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	<u><u>16,438</u></u>	<u><u>27,365</u></u>	<u><u>43,803</u></u>
	2021 Restricted Funds £'000	2021 Unrestricted Funds £'000	2021 Total Funds £'000
Tangible & Intangible Fixed Assets	15,479	13,938	29,417
Investments	-	7,617	7,617
Net Current Assets	1,051	5,157	6,208
Creditors more than 1 year	-	(348)	(348)
Pension (Liability) / Asset	-	(3,735)	(3,735)
At 31 March 2021	<u><u>16,530</u></u>	<u><u>22,630</u></u>	<u><u>39,160</u></u>

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.

DGSM your Choice (company no. 04378206, charity no. 1103190) incorporated in England has been dormant throughout the year of review and was dissolved 6 April 2021

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. Details of the summarised results of The Blue River Project are shown below:

Choice Support
Notes to the Financial Statements
For the year ended 31 March 2022

	2022	2021
	£'000	£'000
Incoming Resources	47	66
Outgoing Resources	<u>(47)</u>	<u>(66)</u>
Surplus / New movements in funds for the year	-	-
Reserves brought forward	<u>6</u>	<u>6</u>
Reserves carried forward	<u>-</u>	<u>6</u>

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.