



**Choice Support
Report and
Financial Statements**

For the year ended 31 March 2024

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Organisation Information - Reference and Administrative Information

Society Name:	Choice Support (The Society) The charitable company converted to a Community Benefits Society on 1 May 2023.
Co-operative and Community Benefit Society number:	9045
Registered Office address:	Compass House 84 Holland Road Maidstone Kent ME14 1UT
The Board:	Andriana Vinnitchok (Appointed 1 April 2024) Babatunde Adewopo Bob Tindall (Appointed 5 April 2023) Chester Manuel Jayne Kilgallen (Appointed 5 April 2023) Kindra Hyttner (Appointed 1 April 2024) Mark Ferry (Appointed 26 July 2023) Mel Shad (Appointed 26 July 2023) Naz Asghar Oliver Mills (Chairman) Peter Hasler Sarah Maguire (Appointed 26 July 2023) Shubhangi Karmakar Tim Coppard
Secretary:	Mark Ferry
Executive Directors:	Ade Orhiere – Chief Finance Officer (Appointed 1 April 2023) Brendan Smith – Chief Digital and Information Officer Dave Jackson – Chief Operations Officer (resigned February 2024) David Holt – Chief Housing and Development Officer Mark Ferry – Chief People Officer Mel Shad – Chief Business Officer Sarah Maguire - Chief Executive
Auditors:	Moore Kingston Smith LLP 9 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

Annual Report of the Board

Structure, Governance and Management

Choice Support has been converted to charitable Community Benefit Society, registered with the Financial Conduct Authority (Society number: 9045) on 1st of May 2023. Being a Charitable CBS provides a much more efficient and less costly forms of governance and regulation.

For the current year under review Choice Support wholly owned the following subsidiaries.

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

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

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

Choice Support Enterprises LTD (company no.15662584) incorporated in England in April 2024 post year end is a private company limited by guarantee without share capital. Choice Support Enterprises LTD is a wholly owned subsidiary of Choice Support.

Presentation of financial statements

These financial statements are those of Choice Support, (Society number 9045).

Statement of Board members' responsibilities in respect of the Financial Statements

The Board is responsible for preparing the Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Co-operative and Community Benefit Societies Act 2014 requires Board to prepare financial statements for each year which give a true and fair view of the state of affairs of the registered society and of the incoming resources and application of resources, including the income and expenditure, of the society for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements of the registered society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It has general responsibility for taking reasonable steps to safeguard the assets of the registered society and to prevent and detect fraud and other irregularities.

In so far as the Board members are aware:

- there is no relevant audit information of which the registered Society's auditor is unaware; and
- the Board members 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.

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

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

Recruitment and Appointment of Board members

Under the requirements of the Memorandum and Articles of Association the Board members are elected to serve for three years from the date of appointment after which time they will retire. Board members 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 give their time voluntarily and received no benefits from the Society. Any expenses reclaimed from the Society are set out in note 8 to the accounts.

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

Board members Induction and Training

All new Board members 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 members attending specific courses relevant to their interests or lead responsibilities.

Organisational Structure

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

Public Benefit

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

Vision, Values, and purpose

This year saw us move into year 3 of our 5-year strategic plan. At the centre of our plan is a desire to continually strengthen our vision and purpose. Choice Support committed to become a more human and purposeful place to work and live. We have the people we support at the heart of everything we do by creating environments and opportunities for all individuals, staff, and supported people alike, to be happy. We continued changing the way we work to give everyone an equal opportunity to enjoy being part of the work Choice Support does as well as be involved in the changes we want to make. Being halfway through our plan it felt like a good opportunity to review and reflect on our progress and ensure we learn as we move forward.

Part of this review was a reflection carried out by one of our Founders on what has been this year and what we need for the future. The review included the voices of direct support staff, central service teams, leaders at all levels and Members of Board. The focus was on what have we learnt over the past 2 and half years and what needs to be changed to better support transforming the work of Choice Support and for individuals, our teams, the people we support and their families and wider stakeholders.

The feedback was insightful, honest falling broadly into 9 themes.

- People Working Directly with the Transformation are the Most Excited about Working Purposefully
- Continuously Clarify the Purpose in Practice
- Put People at the Centre of Everything We Do
- Define What it Means to Be a Team with Purpose
- Refine the Participation of Central Services
- Simplify the Language
- Clarify the Future Structures within A Team-Based Organisation
- Rethink Good Management in Purposeful Teams
- We learn! Be a Learning Organisation

Having discussed this feedback in November with our Board we agreed that our next challenge was to combine the reflections and lessons with the work of the digital transformation programme to create a holistic plan to change the way we work as we continue with our vision, purpose and strategic plan.

The focus of our work

2023 was the year the Board approved a significant investment in our Digital Transformation programme. This was in recognition that systems and processes in some parts of the business remain fragmented and in many instances of manual, paper-based working (especially with our front-line teams), duplication of entry and effort, gaps in key business information, and systems not sharing information with each other. Our Digital Transformation Programme (DTP) aims to address these issues and establish a new way of working that will underpin and support the operational transformation with our purpose at its core, placing decision making closer to the people we support.

The DTP is a change programme as much as it is a digital programme. We aim to use the DTP to create a new way of working (our operating system) taking the learning from what does and does not work now, how we need to work to support the operational transformation and envisioning how we want to work in the future. Our Board recognised that this is a fantastic opportunity to take a step back and redesign our systems from the bottom up, with our purpose at the core and centre. We know there are clear efficiency gains to be realised from addressing these issues and a successful DTP will help us establish a modern, resilient, effective organisation with quality business information available to all decision makers.

This year we have made significant headway with our DTP. We invested a lot of time in understanding what is needed in all areas of Choice Support and create a 'rich picture' of our transformation for all to see. Having created a new DTP team we worked alongside an external consultancy firm to draw on their expertise about the market and support us with workshops to understand what is needed followed by system specs that lead to us to system selection. We have selected both a new rostering and care and support system to date and are now working on training of staff and piloting before rolling out next year. Our next phase will focus on central team's systems.

Building on our existing alliance with 5 social care providers we have taken the More Than A Provider collective to a new phase this year. With the prospect of an election in 2024 we were keen to find a way to influence the agenda for adult social care. The collective subscribes to the vision shared by Social Care Futures- 'We all want to live in place called home, with the people and things we love, in communities where we look out for each other, doing the things that matter to us'.

As a collective we are ambitious for the people who draw on social care for the workforce and for ourselves. Our aim is to be seen as an experienced partner to government, politicians and policy makers/advisors from across the spectrum. We have engaged health and social care communication experts to help us build a manifesto for change. We know that our vision already exists in law, for example the Care Act 2014, but has not been implemented. Our collective is committed to driving this forward, building on existing experience and achievements. More Than A Provider wants to bring frontline knowledge and the voice of those we support to the table with policy makers; to the benefit of all. This year we have had several successful meetings with senior opposition leaders; held an event with DEMOS to explore the future of adult social care and support several visits to meet with the people we support from policy makers in the DHSC and M. P's. We hope to launch our manifesto for change in the first quarter of 2024.

Our vision and purpose have always kept us engaged in helping people leave hospitals and build new lives back in communities close to family and friends. This requires a degree of collaboration between stakeholders and a sustained investment in both properties and workforce. This past year has seen us complete collaborations in Nottingham and Durham meaning 12 people with complex mental health, learning disabilities and autism will begin new lives outside of hospitals. Choice Support has invested its own money into these NHS capital programmes to build bespoke individual homes. We have also worked in Suffolk, Oxfordshire and Somerset with families to help them realise the hopes and dreams of a meaningful life for their family member/s. An example of our work was captured in the NHS Confederation publication this year 'No Wrong Door' as show what is possible if we take the time; make those investments and believe in an alternative future for people.

Strategic Report

Strategy and Business Plan

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

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

Staff Recruitment and Retention

Recruitment continues to be challenging but we have made significant progress over the last year in filling vacancies, that have resulted in significant reductions in our use of agency workers.

We are very pleased that we were able to fund 2 pay increases for our lowest paid employees over the course of the year and our highest ever Christmas bonus. These improvements in pay have been well received and have undoubtedly helped improve recruitment and retention.

Staff turnover has remained significantly lower than the average for the industry and despite increasing slightly in previous years is now heading back to the previous very low levels.

We continue to work hard to reduce agency usage and costs.

Our People

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

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

Health and Wellbeing

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

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

Diversity and Inclusion

This year we have continued to make progress against the objectives in our diversity and inclusion (D&I) action plan.

We have appointed a Diversity and Inclusion Advisor who is helping drive forward our work on D&I.

Our Diverse Voices (Black, Asian, and minority ethnic inclusion network) and the LGBTQ+ and allies inclusion network meet monthly to discuss D&I issues and to hear the voices of marginalised groups. We started a new Young Persons inclusion network, aimed at employees under 30.

Black, Asian, and minority ethnic employees now make up 28% of people in junior and middle management positions (an increase from 20% when we launched our action plan).

The Board and SLT are now 47% female, 30% minority ethnic, and 12% LGBT.

Employees with disabilities

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

We have a good record for the employment of people with disabilities with 15.5% of our total workforce describing themselves as having a disability.

Learning and Development

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

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

We currently have 98 employees on an apprenticeship programme and 10 employees successfully completed their apprenticeships during the course of the year.

We are currently supporting people to complete their coaching professional apprenticeship programme.

We launched the Oliver McGowan training with 30 co-trainers with lived experience.

We have already trained 43% of our workforce and the training has been very well received.

Transforming services for the better.

In order to place the people that we support at the heart of what we do and place them in control of their lives and decisions about how they live, we have been working on developing a framework to explore and establish self-managing teams across Choice Support since 2020.

In November 2023 we carried out a review of the work and projects we had already undertaken and took the learning to frame future activity across Choice Support. It was an opportunity to reflect on successes and learn from things that didn't go quite to plan. It showed us that we are on the right path and that empowering local teams to work differently made fundamental and positive differences to the lives of the people we support.

We learned that when staff engage in the transformation to self-directed teams they experience:

- Increased confidence.
- A higher sense of purpose.
- Greater development opportunities.
- Increased opportunities for the people we support.
- Closer and more productive relationships with families and carers.

We have understood that:

- Moving too fast leaves people behind. There is a need for a refined approach to give staff, families, and external professionals time to adjust.
- There is a need for a clear, unified direction from leaders who understand exactly what we are trying to achieve.
- We know that we must offer more guidance (a framework of sorts) when teams move to a self-directed approach, so they feel safe and can take positive risks.

- Localising decision making will ensure more creative use of available funds and ultimately reduce bureaucracy and cost, whilst not compromising support. In a market with limited resources, this approach will enable us to make the very best use of every penny we have.

Over the next year we plan to focus on building on the initial transition to purposeful teams by creating a deeper sense of kindness, trust and connectedness across the organisation.

2024/25 will see us focussed on building more trusting, connected networks across Choice Support to underpin a shift of power to local teams/services. We are committed putting the people we support in the driving seat of their own lives.

Plans for future Periods

The Board Members 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 society.

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

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

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

Supporting people outside of hospitals

Campaigning for the rights of people with learning disabilities, autism, and mental health has been one of our 5 Strategic Aims. Supporting people to leave hospital and move closer to their families and friends remains a high priority.

We know we can support happy lives in the community and have continued to support NHS and Local Authorities to build bespoke homes using NHS Capital Grant for people leaving hospitals. We completed our builds in Nottingham and Durham, meaning 12 people will have the opportunity to build new connections in their communities. More capital projects are under way in London and Oxfordshire.

Our Board have agreed funds that we can use to support house purchase and adaption for people leaving hospital to support faster discharge. We are working with several health and local authorities to create bespoke plans. In addition to this, our step-down support for people with mental health needs is making sure that people can be discharged from hospital faster and carry out any assessment needed back in their communities. For many our step-up and expanded crisis café offer results in people remaining in their communities, preventing the need for hospital admissions.

Working in partnership with health and social care professionals, families and the person themselves is the recipe for success – one that keeps people in their homes rather than hospitals.

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 continue to have grant funding for our Jigsaw Project from the Kent Police and Crime Commissioner until March 2025, with a funding level of £34,398. We successfully bid for additional grant monies from the Kent Police and Crime Commissioner of £1891.89. This has enabled us to purchase audio and video equipment that complements our current Jigsaw Hate Crime project through the development of awareness videos demonstrating real lived experiences from victims of hate crimes.

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

We have not received any complaints about fundraising, but should anyone wish to raise a complaint we would seek to resolve it through our published complaints procedure. We do not currently undertake any direct mailing activity, and we do not fundraise from vulnerable people or anyone who has previously requested not to be contacted by us. We do not share our donor's data with any other party and have not had any complaints regarding our processes and policies in the year.

The Choice Support Privacy Policy, published on our website, clearly states what personal data Choice Support will hold in relation to support and how this data will be used. It 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.

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.

Principal Risks and Management

The Board members ensure the society 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 society's financial health, integrity and safeguards its assets. The Strategy and Plan are reviewed regularly throughout the year to identify risks and challenges.

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

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

We use our risk management framework to identify, prioritise and manage risks. This helps us to minimise threats and make the most of opportunities. The corporate risk register has been reviewed and rewritten in the last year to better reflect the challenges that the organisation faces and the provide more agile

management of the presenting risks. It is a live document, and we report on risks and mitigating action to our Finance, Risk and Audit Committee (FRA committee), Quality and Safeguarding Committee (Q&S Committee), and the HR Committee, as well as our Board members.

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

The principal risks faced by the society remain financial - owing to continued pressure on local authority funding which results in low pay and low margins. In turn, this leads to difficulty in 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, particularly 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

Choice Support is reporting a surplus of £4,510k for the financial year ending 31 March 2024 (2023: a surplus of (£4,210k) before transfers between reserves and the pension actuarial adjustment.

Total income of £74m represents an increase of 8% on the previous year. Total expenditure of £69.6m was £4.7m higher than the previous year (£64.9m). The increase is primarily within staff costs. This expenditure does not include the £493k pension actuarial loss in the year (2023: £513k).

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. Despite this, our financial position remains sound. Net assets after allowing for the pension liability are £51.5m, an increase of 8.4% on the previous year. Excluding the pension liability, net assets increased by 8.1%.

Reserves of £51,517k existed at the end of March 2024. These included £21,748k of restricted reserves, £20,822k of designated reserves, and £11,807k of general reserves net of pension reserves (£2,860k). Designated reserves relate, in the main, to the property portfolio of the society.

Principal Funding Sources

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

The largest area of expenditure is staff costs directly attributed to meeting the care and support needs of the people we support. Expenditure has been incurred in the key area of central management where staff reports 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 124 properties across 35+ separate local authorities comprised of 9 day/employment/social enterprise services, 10 main and regional supporting offices, and 105 residential properties (dwellings) with a total of 544 lettable units/bed spaces. We work in partnership with around 30 landlords including 11 housing associations, 6 Local Authority/NHS landlords, and 14 private landlords.

Our property portfolio includes:

Ownership Type	No. of properties	Sum of No. Lettable units
Freehold	47	183
Lease/licence	33	124
Leasehold (long lease)	3	24
Management Agreement	41	213
Grand Total	124	544

No. of Properties by Ownership Type

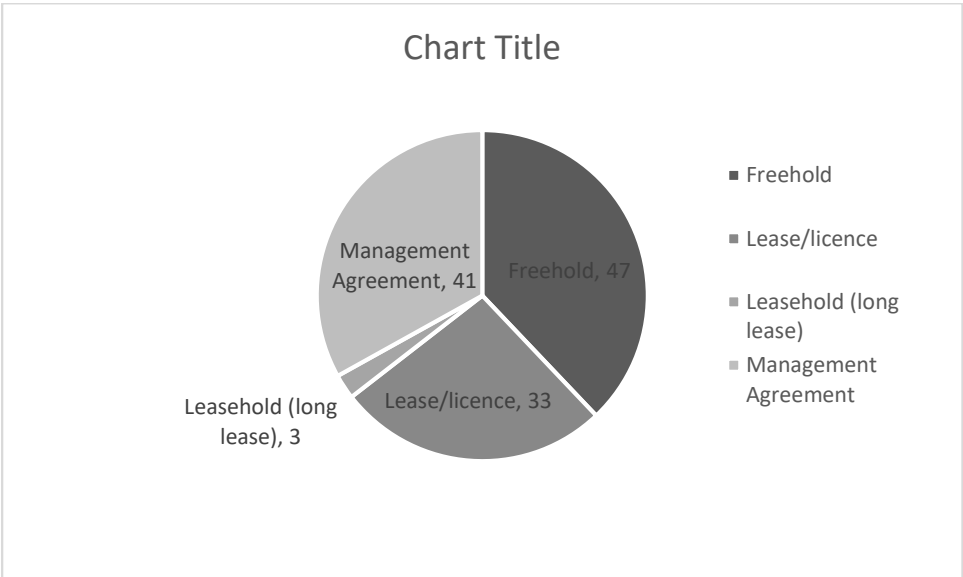


Figure 1

Investment Policy

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

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

Every investment opportunity is subject to financial scrutiny and appraisal 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 investment approach 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 ongoing 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

Choice Support Board 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 expenditures 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 the **Board** has set a contribution level for these activities. Reserves are also used to cover budget shortfalls 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 that provide significant capital funding.

Budgeted support costs for 2024-25 are c.£10.2m. Six months is equivalent to £5.1m.

Reserves at March 24 were as follows:	£'000's
Restricted Funds	21,749
Designated Funds	20,822
Pension Scheme	(2,860)
General	11,806
Total Reserves	51,517
Less :	
Restricted Funds related to Capital Grants	21,294
Other Restricted Funds	453
Designated Funds relating to property assets	20,822
 Free Reserves	 <u>8,946</u>

Related Parties

Choice Support has a number of dormant subsidiaries arising from mergers over recent years. These are listed in note 18 of the accounts.

The Board members' report has been approved by the Board, on 02 October 2024 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 'society') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 society's affairs as at 31 March 2024 and of the society'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 Co-operative and Community Benefit Societies Act 2014.

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 society 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 board members' 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 society'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 Board 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 Board 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and their environment obtained in the course of the audit, we have not identified material misstatements in the Board members report.

We have nothing to report in respect of the following matters where the co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society 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 society's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board members

As explained more fully in the Board members' responsibilities statement set out on page 2 the Board members 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 Board 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 Board members are responsible for assessing the society'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 Board members either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under 83 of the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect there under.

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 judgment 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's 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 society'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 society 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 society to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 society.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the society and considered that the most significant are the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the society 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 inquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

This report is made solely to the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society 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 society members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP, Statutory Auditor

10 October 2024

6th Floor
9 Appold Street
London
EC2A 2AP

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

The notes on pages 21 to 44 form part of these financial statements

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

	Notes	Unrestricted Funds 2024 £000's	Restricted Funds 2024 £000's	Total Funds 2024 £000's	Unrestricted Funds 2023 £000's	Restricted Funds 2023 £000's	Total Funds 2023 £000's
Income							
Donations and legacies		111	141	252	-	49	49
Capital grant funding		-	3,635	3,635	-	2,758	2,758
Other trading activities (shops)		164	-	164	156	-	156
Profit on disposal of Fixed Assets		-	-	-	406	-	406
Other income		17	-	17	26	-	26
Income from investments		728	-	728	211	-	211
Income from charitable activities:							
Learning Disability and Mental Health		63,722	52	63,774	60,008	26	60,034
Housing		3,737	-	3,737	3,446	35	3,481
Experts by Experience		1,779	-	1,779	2,008	-	2,008
				-			-
Total income	3	70,258	3,828	74,086	66,261	2,868	69,129
Expenditure							
Expenditure on raising funds							
Trading costs (shops)		111	-	111	113	-	113
Expenditure on charitable							
Learning Disability and Mental Health		63,802	120	63,922	59,648	79	59,727
Housing		3,489	291	3,780	2,982	233	3,215
Experts by Experience		1,751	-	1,751	1,826	-	1,826
				-			-
Total expenditure	5	69,153	411	69,564	64,569	312	64,881
Net gains/(losses) on investments	10	34	-	34	(38)	-	(38)
Net Income	4	1,139	3,417	4,556	1,654	2,556	4,210
Transfer between funds	14	18	(18)	-	644	(644)	-
Pension scheme actuarial (loss)/gain	13	(539)	-	(539)	(513)	-	(513)
				-			-
Net movement in funds		618	3,399	4,017	1,785	1,912	3,697
Funds at the start of the year		29,150	18,350	47,500	27,365	16,438	43,803
Funds at the end of the year		29,768	21,749	51,517	29,150	18,350	47,500

The statements of financial activities include all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**Choice Support
Balance Sheet
For the year ended 31 March 2024**

Balance Sheet

Registered Society Registration Number 9045

		2024	2023
	Notes	£'000	£'000
FIXED ASSETS			
Intangible Assets	9	9	18
Tangible Assets	9	34,707	30,295
		<u>34,716</u>	<u>30,313</u>
INVESTMENTS			
Investments	10	660	609
Long Term Deposits	10	10,480	10,000
		<u>11,140</u>	<u>10,609</u>
CURRENT ASSETS			
Debtors	11	6,375	6,236
Cash in bank and in hand		7,651	8,822
		<u>14,026</u>	<u>15,057</u>
CREDITORS: Amounts falling due within one year	12	(5,505)	(5,666)
NET CURRENT ASSETS		<u>8,521</u>	<u>9,392</u>
NET ASSETS excluding pension liability			
		54,377	50,314
Pension Liability	13	(2,860)	(2,814)
NET ASSETS including pension liabilities		<u>51,517</u>	<u>47,500</u>
CAPITAL and RESERVES			
	14		
Restricted		21,749	18,350
Designated		20,822	15,593
Pension		(2,860)	(2,814)
General		11,806	16,370
		<u>51,517</u>	<u>47,500</u>

The financial statements were approved by the Board members on 2 October 2024



Oliver Mills (Chairman)



Tim Coppard (Board)



Mark Ferry (Secretary)

**Choice Support
Cash Flows
For the year ended 31 March 2024**

Statement of Cash Flows

Year to 31 March 2024

	2024	2023
	£'000	£'000
Cash Flows from operating activities		
Net cash (used in) / Provided by operating activities	3,618	3,088
Cash flows from investing activities		
Interest Receivable	728	211
Payments to acquire tangible fixed assets	(5,019)	(1,824)
Sale proceeds from disposal of fixed assets	-	606
Purchase of investments	-	-
Proceeds from disposal of investments	-	1
Net Investment in long term deposits	(480)	(2,752)
Net cash outflow from investing activities	(4,771)	(3,758)
Net change in cash and cash equivalents in the reporting period	(1,153)	(671)
Cash and cash equivalents at 1 April 2023	8,908	9,579
Cash and cash equivalents at 31 March 2024	7,755	8,908
Analysis of cash and cash equivalents		
Cash in hand and bank	7,651	8,822
Cash held at investment managers	104	87
	7,755	8,908
Reconciliation of net income / (expenditure) to net cash flow from operating activities	2024	2023
	£'000	£'000
Net Income	4,556	4,210
Interest receivable	(728)	(211)
Depreciation of fixed assets	608	451
Amortisation of intangible assets	9	7
Unrealised (gains)/losses on investments	(34)	38
(Gains)/ Losses on sale of assets	-	(406)
Net movement in pension scheme	(493)	(513)
(Increase)/ decrease in debtors	(139)	554
(Decrease)/ Increase in creditors	(161)	(1,044)
	3,618	3,088

Accounting Policies

Legal status

Choice Support is incorporated in England on 1 May 2023 under the Co-operative and Community Benefit Societies Act 2014 and is an exempt Charitable Community Benefit Society (number 9045) as defined by the Charities Act 2011 with a registered address of Compass House, 84 Holland Road, Maidstone, Kent, ME14 1UT.

Accounting convention

The society 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 and the Co-operative and Community Benefit Societies Act 2014. The members have voluntarily adopted the Charities SORP (FRS102), as the Society was a Charitable Benefit Society, as they consider that this is the most appropriate format to give a true and fair view of the Society's activities.

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 Charitable Benefit Society. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

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

In making this assessment, the Board members have considered the resources of the society 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 coronavirus 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 society. 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 members have made significantly worse-than-expected assumptions to demonstrate the financial viability of Choice Support under extremely pessimistic and unlikely conditions. Members considered the ongoing financial impact of expected increases in the National Minimum Wage and other inflationary pressures on costs in terms of operating performance and cash flow. It was concluded that the society 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 the above, the members consider that the society has adequate resources to continue to operate and meet their liabilities as they fall at least for a period of 12 months from the date of approval of these financial statements and consequently the financial statements have been prepared on a going concern basis.

Income

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

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

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

Expenditure

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

Charitable expenditure comprises those costs incurred by the society 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 society and include the audit fee and costs linked to the strategic management of the society

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

Tangible fixed assets

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

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

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

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

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

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

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

Intangible fixed assets

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

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

Financial Instruments

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

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

Fund Accounting

Unrestricted funds are available for use at the discretion of the members in furtherance of the general objectives of the society.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that 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 Board designates certain funds to reflect the fact that those funds are not available for general use; these amounts are disclosed as designated reserves. Note 14 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 balance sheet and are classified as fixed assets. The society 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 society does not acquire put options, derivatives, or other complex financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, the short-term liquid investment with original maturities of three months or less, and investment capable of immediate cash realisation (cash held at investment managers).

Taxation

Choice Support has charitable status and therefore are not subject to Corporation Tax on surpluses derived from their charitable activities.

Retirement Benefits

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

Employee Benefits

The cost of short-term employee benefits is recognised as a liability and an expense. Termination benefits are recognised immediately as an expense when the society is demonstrably committed to terminating the employment of an employee or to providing 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 society's accounting policies, the members are required to make judgments, 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 judgments

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

The society has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on several 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 17 for the disclosures relating to the defined benefit pension scheme.

The society makes an estimate of the recoverable value of trade and other debtors. When assessing the 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 into account of the separate component parts of the land and

buildings. See note 9 for the carrying amount of the property, plant and equipment and note 1 for the useful economic lives for each class of asset.

3. Income

	2024	2023
	£'000	£'000
Fundraising and donations	252	49
Capital Grant funding	3,635	2,758
Supported Living and Individualised services	47,202	43,698
Registered Care	13,075	12,318
Housing	3,737	3,481
Experts by Experience	1,779	2,008
Community support	322	332
Engagement Services	2,150	2,616
Employment Services	402	448
Social Enterprises	801	760
Trading	3	3
COVID 19 Funding	(18)	15
Other income	17	26
Investment income	728	211
Profit on disposal of fixed assets	-	406
	<u>74,085</u>	<u>69,129</u>

4. Net Income for the year

	2024	2023
	£'000	£'000
This is stated after charging:		
Depreciation	608	451
Amortisation	10	7
Operating Lease rentals	822	786
Net profit / (loss) on disposal of fixed assets	-	406

5. Operating Expenditure

2024

	Direct costs, staff £'000	Direct costs, non-staff £'000	Support Costs (note 6) £'000	Total 2024 £'000
Cost of generating voluntary income	-	111	-	111
Direct charitable activities:				
Learning Disability, Autism & Mental Health	53,786	3,355	6,781	63,922
Housing	578	2,805	397	3,780
Experts by Experience	1,435	127	189	1,751
Total	55,799	6,398	7,367	69,564

2023

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

6. Support Costs

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

2024

	Learning Disability, Autism & Mental Health £'000	Housing £'000	Experts by Experience £'000	Fundraising & Donations £'000	Total £'000
Local Costs	1,042				1,042
Area Costs	1,891	-	-	-	1,891
Central Costs	3,849	397	189	-	4,434
Total	6,781	397	189	-	7,367

2023

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

	2024 £'000	2023 £'000
Fees payable to current auditors		
- Audit Services – current year	84	89
- Tax and other non-audit services	-	13
Total Governance Costs	84	102

7. Staff Costs

	2024	2023
	£'000	£'000
Wages & Salaries	49,855	45,469
Social security costs	4,476	4,222
Pension costs	1,318	1,258
Redundancy and termination costs	359	117
	<u>56,008</u>	<u>51,066</u>
Agency	3,203	4,717
Total	<u>59,211</u>	<u>55,783</u>

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

	2024	2023
	No	No
Care staff	2,442	2,422
Management and administration staff	118	101
	<u>2,560</u>	<u>2,523</u>

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

	2024	2023
60,001 - £70,000	5	1
£70,001 - £80,000	1	2
£80,001 - £90,000	-	1
£90,001 - £100,000	-	4
£100,001 - £110,000	3	-
£110,001 - £120,000	2	1
£130,001 - £140,000	-	1

8. Board and Key Management Personnel

There are 12 members serving at 31 March 2024, (2023:7) No members received any remuneration or benefit in kind during the year or the prior year. Travel expenses reimbursed to 7 members (2023:3) amounted to £1k (2023: £0.2k).

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

	2024	2023
	£'000	£'000
Total paid to key management personnel	894	794

9. Fixed Assets

A) Tangible fixed assets, Year ended 31 March 2024

	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 2023	2,337	29,534	2,241	785	34,897
Transfer	(7,169)	7,169			-
Additions	4,848	19	-	152	5,019
Disposals		-	(9)	(187)	(196)
At 31 March 2024	<u>16</u>	<u>36,722</u>	<u>2,232</u>	<u>751</u>	<u>39,721</u>
Depreciation					
At 1 April 2023	-	3,373	528	701	4,602
Charged in the year	-	476	35	97	608
Disposals	-		(9)	(187)	(196)
At 31 March 2024	<u>-</u>	<u>3,849</u>	<u>554</u>	<u>611</u>	<u>5,014</u>
Net Book Value at 31 March 2024	16	32,873	1,678	140	34,707
Net Book Value at 31 March 2023	<u>2,337</u>	<u>26,161</u>	<u>1,713</u>	<u>84</u>	<u>30,295</u>

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

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

B) Intangible Fixed Assets

	2024	2023
	Software	Software
	£'000	£'000
Cost		
At 1 April 2023	321	1,518
Additions	-	-
Disposals	(288)	(1,197)
At 31 March 2024	33	321
Amortisation		
At 1 April 2023	303	1,493
Charged in the year	9	7
Disposals	(288)	(1,197)
At 31 March 2024	24	303
Net Book Value as at 31 March 2024	9	18

10. Investments

	2024 £'000	2023 £'000
Listed investments		
Market value at 1 April	522	561
Disposals (proceeds: £nil, gains: £nil)	-	(1)
Unrealised gains/(losses)	34	(38)
Market value as at 31 March	<u>556</u>	<u>522</u>
Cash held for reinvestment	104	87
Total Investments	<u>660</u>	609
Cash held in long term deposits	10,480	10,000
Total investments and long term deposits	<u>11,140</u>	<u>10,609</u>
Cost of listed investments (excluding cash at 31 March)	<u>496</u>	<u>496</u>

As at 31 March 2024 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>556</u>	<u>100</u>

11. Debtors

	2024 £'000	2023 £'000
Trade debtors and grants	4,165	3,051
Prepayments & Accrued Income	2,176	3,154
Other Debtors	<u>34</u>	<u>31</u>
	<u>6,375</u>	<u>6,236</u>

12. Creditors : Amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	809	1,076
Accruals	2,549	2,127
Deferred income	576	748
Tax and social security costs	1,202	1,000
Client monies	49	119
Other creditors	320	596
	<u>5,505</u>	<u>5,666</u>

Movement in Deferred Income

Deferred Income at beginning of year	748	871
Income recognised in year	(748)	(871)
Income deferred in the current year	<u>576</u>	<u>748</u>
Income Deferred at end of year	<u>576</u>	<u>748</u>

Deferred income related to contract income received in advances.

Included within Other creditors for the society are amounts totalling £47k in respect of outstanding pension contributions (2023 £226k).

13. Pension Liability

	2024 £'000	2023 £'000
Actuarial gain/(loss) - SHPS	(46)	(3)
	<u>(46)</u>	<u>(3)</u>

	2024 £'000	2023 £'000
Re SHPS - NPV of deficit reduction plan future liability		
(Deficit) at the beginning of year	(2,814)	(2,811)
Employer Contributions	633	600
Net Interest / return on assets	(140)	(87)
Actuarial (loss) / gain *	(539)	(516)
SHPS pension liability	<u>(2,860)</u>	<u>(2,814)</u>

	2024 £'000	2023 £'000
Amounts recognised within net income in the Statement of Financial Activities in respect of the defined benefit schemes are:		
Employer contributions	633	600
Net Interest / Return on assets	(140)	(87)
	<u>493</u>	<u>513</u>

14. Movement in Funds

	Brought Forward £'000	Income £'000	Expenditure £'000	Transfers, Gains & Losses £'000	Total Funds £'000
2024 :					
Restricted Reserves					
Fixed assets acquired through capital grants	16,872		(291)	4,714	21,295
Capital grants received for housing developments	1,079	3635		(4,714)	-
Fundraising, Legacy and donations	185	193	(120)	(18)	240
DGSM	200				200
Roy Kinnear Foundation	14				14
Total Restricted :	18,350	3,828	(411)	(18)	21,749
Designated Reserves					
Fixed assets not acquired through capital grants	13,441		(326)	307	13,422
Depreciated capital grant fund	1,547		291		1,838
Board approved funds for housing initiatives				2,200	2,200
Digital Transformation Project			(475)	3,250	2,775
Sinking fund	579			(19)	560
Property disposal surplus	27				27
Total Designated :	15,594	-	(510)	5,738	20,822
Pension Reserves :	(2,814)		493	(539)	(2,860)
General Reserves	16,370	70,292	(69,675)	(5,181)	11,806
	13,556	70,292	(69,182)	(5,720)	8,946
Total Reserves	47,500	74,120	(70,103)	-	51,517

Choice Support
Notes to the Financial Statement
For the year ended 31 March 2024

2023:	Brought Forward £'000	Income £'000	Expenditure £'000	Transfers, Gains & Losses £'000	Total Funds £'000
Restricted Reserves					
Fixed assets acquired through capital grants	15,282		(234)	1,824	16,872
Capital grants received for housing developments	146	2,758		(1,824)	1,079
Fundraising, Legacy and donations	574	110	(79)	(421)	184
Area committee funds	103			(103)	-
Autism London	10			(10)	-
DGSM	241			(41)	200
Roy Kinnear Foundation	14				14
Southwark Innovation Fund	46			(46)	-
Steven Clarke Trust	22			(22)	-
Total Restricted:	16,438	2,868	(313)	(643)	18,350
Designated Reserves					
Fixed assets not acquired through capital grants	13,884			(443)	13,441
Depreciated capital grant fund	1,369		177		1,546
Legacy and donations	72			(72)	-
Sinking fund	844			(265)	579
Property disposal surplus	27				27
Total Designated:	16,196	-	177	(780)	15,594
Pension Reserves	(2,811)		513	(516)	(2,814)
Group General Reserves	13,980	66,261	(65,296)	1,423	16,368
	11,169	66,261	(64,783)	907	13,556
Total Reserves	43,803	69,129	(64,919)	(516)	47,500

14. Movement in Funds (continued)

Restricted funds

Fixed assets acquired through capital grants

This fund represents the net book value of assets purchased using capital grants.

Capital grants received for housing developments

This fund represents the value of capital grants received for housing developments but unspent at the balance sheet date.

Fundraising, Legacy and donations

This fund consists of unspent donations and legacies that have been received for restricted purposes. In the year, transfers were made to general funds in respect of expenditure related to restricted funds which had not been correctly allocated to restricted funds.

Other restricted funds

Other restricted funds represent monies raised/received for named projects or transferred in from subsidiary charities during merger.

Designated funds

The Board 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.

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

Board approved funds for housing initiatives

Amounts representing the funds to adapt voids, transitioning to new support models, property purchase and the green agenda in addition to re-investing capital receipts from the sale of our property assets by the year 2028

Digital Transformation Project

Investment in Digital Technology by the year 2026

15. Capital commitments

	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Contracted for	-	2,866	-	2,866
	<u>-</u>	<u>2,866</u>	<u>-</u>	<u>2,866</u>

The commitment at the year-end was nil (2023: £2.9m relating to the development of a property in order to provide additional housing facilities to enable the society to meet its housing strategy which was largely matched by the receipt of capital grants).

16. Commitments under Operating Leases

	2024 £'000	2023 £'000
Land and Buildings		
Payable in the first year	350	467
Payable between 3 and 5 years	286	402
Payable after five years	<u> </u>	<u>9</u>
	636	<u>878</u>
Office Equipment		
Payable in the first year	112	82
Payable between 3 and 5 years	-	-
Payable after five years	<u>-</u>	<u>-</u>
	112	<u>82</u>
Vehicles		
Payable in the first year	37	51
Payable between 3 and 5 years	15	16
Payable after five years	<u> </u>	<u> </u>
	52	<u>67</u>

17. Pension Commitments

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

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

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the society 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 society 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 society 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 society's fair share of the Scheme's total assets to calculate the society'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-24 £'000	31-Mar-23 £'000
Defined benefit obligation at start of period	15,243	20,800
Expenses	17	17
Interest expense	731	573
Actuarial losses (gains) due to scheme experience	(89)	265
Actuarial losses (gains) due to changes in demographic assumptions	(169)	(36)
Actuarial losses (gains) due to changes in financial assumptions	5	(5,876)
Benefits paid and expenses	<u>(605)</u>	<u>(500)</u>
Defined benefit obligation at end of period	15,133	15,243

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

	31-Mar-24 £'000	31-Mar-23 £'000
Fair value plan assets at start of period	12,429	17,989
Interest income	608	503
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(792)	(6,163)
Contributions by the employer	633	600
Contributions by plan participants	-	-
Benefits paid and expenses	<u>(605)</u>	<u>(500)</u>
Fair value of plan assets at end of period	12,273	12,429

The actual return on the plan assets (including any changes in share of assets) during the year ended 31 March 2024 was (£184k), previous year (£5,660k)

	31-Mar-24 £'000	31-Mar-23 £'000
Fair value plan assets at start of period	12,273	12,429
Present value of defined benefit obligation	<u>(15,133)</u>	<u>(15,243)</u>
Deficit in plan – defined benefit liability	(2,860)	(2,816)

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

	31-Mar-24 £'000	31-Mar-23 £'000
Expenses	17	17
Net interest expense	<u>123</u>	<u>70</u>
Defined benefit costs recognised in statement of comprehensive income (SoCI)	140	87

Defined benefit costs recognised in other comprehensive income

	31-Mar-24	31-Mar-23
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – gain/ (loss)	(792)	(6,163)
Experience gains and losses arising on the plan liabilities – gain/(loss)	89	(265)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/ (loss)	169	36
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	(5)	5,876
defined benefit obligation – gain/ (loss)		
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/ (loss)	(539)	(516)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/ (loss)	-	-
Total amount recognised in other comprehensive income - gain /(loss)	(539)	(516)

Assets

	31-Mar-24	31-Mar-23
	£'000	£'000
Global Equity	1,223	232
Absolute Return	479	134
Distressed Opportunities	433	376
Credit Relative Value	402	469
Alternative Risk Premia	390	23
Emerging Markets Debt	159	67
Risk Sharing	718	915
Insurance-Linked Securities	63	314
Property	493	535
Infrastructure	1,240	1,420
Private Equity	10	
Private Debt	483	553
Opportunistic Illiquid Credit	480	532
High Yield	2	43
Opportunistic Credit	-	1
Cash	242	90
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	79	375
Secured Income	366	570
Liability Driven Investment	4,995	5,724
Currency Hedging	(5)	24
Net Current Assets	21	32
	<u>12,273</u>	<u>12,429</u>
Total assets	12,273	12,429

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-24	31-Mar-23
	% per annum	% per annum
Discount rate	4.89%	4.88%
Inflation (RPI)	3.17%	3.20%
Inflation (CPI)	2.77%	2.74%
Salary Growth	3.77%	3.74%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (years)	Life expectancy at age 65 (years)
Male retiring in 2024	20.5	21.0
Female retiring in 2024	23.0	23.4
Male retiring in 2044	21.8	22.2
Female retiring in 2044	24.4	24.9

b) In September 2013, the society 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 society joined this scheme in December 2013 and closed the scheme for any new employees who joined after 31 December 2018. The society currently also operates a defined contribution scheme with Aegon.

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

d) Contributions amounting to £47K (2023 £226k) were payable to the pension funds at the year end and are included in creditors.

18. Related Party Transactions

There were no related party transactions during the year (2023 – nil).

19. Net Assets by Fund

	2024 Restricted Funds £'000	2024 Unrestricted Funds £'000	2024 Total Funds £'000
Tangible & Intangible Fixed Assets	21,294	13,422	34,716
Investments	-	11,140	11,140
Net Current Assets	455	8,066	8,521
Creditors more than 1 year	-	-	-
Pension (Liability) / Asset	-	(2,860)	(2,860)
At 31 March 2024	<u>21,749</u>	<u>29,768</u>	<u>51,517</u>
	2023 Restricted Funds £'000	2023 Unrestricted Funds £'000	2023 Total Funds £'000
Tangible & Intangible Fixed Assets	16,872	13,441	30,313
Investments	-	10,609	10,609
Net Current Assets	1,477	7,915	9,392
Creditors more than 1 year	-	-	-
Pension (Liability) / Asset	-	(2,814)	(2,814)
At 31 March 2023	<u>18,350</u>	<u>29,150</u>	<u>47,500</u>

20. 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.

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

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

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

21 Ultimate Parent – PSG

As at 31 March 2024, there is no ultimate parent company.

22 Post Balance Sheet Events

Choice Support Enterprises LTD (company no.15662584) incorporated in England on 20 April 2024 is a private company limited by guarantee without share capital. Choice Support Enterprises LTD is a wholly owned subsidiary of Choice Support.

On 1 April 2024, Choice Support acquired the assets of £1.56m and liabilities of £771k of Three C's (company registration number 02768427 and charity registration number 1047736).