
Independent Options (North West)
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 March 2021

Independent Options (North West)
(A Company Limited by Guarantee)

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Independent Options (North West)
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 March 2021

| | |
|----------------------------------|--|
| Trustees | A Maunder, Trustee P Milham, Chairman E R Stelfox, Trustee J D Grassick, Trustee (resigned 21 July 2021) P White, Trustee A Roach, Trustee J Taylor, Trustee N Wilson, Trustee H L Walsh, Trustee (resigned 1 February 2021) |
| Company registered number | 02560910 |
| Charity registered number | 1022680 |
| Registered office | 67 Chester Road Hazel Grove Cheshire SK7 5PE |
| Chief executive officer | A Smith |
| Independent auditors | Hurst Accountants Limited Chartered Accountants Statutory Auditors 21 Tiviot Dale Stockport Cheshire SK1 1TD |
| Bankers | Natwest Bank Plc 180 London Road Stockport Cheshire SK7 4DH |

Independent Options (North West)
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the charity for the 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Key performance indicators

The Board of Trustees believes that the organisation's main aim is to meet the needs of the individuals it supports. In order to continue to fulfil this, it must remain financially solvent, hence achieving a modest surplus each year is necessary, whilst generating like-for-like growth in services.

b. Key Developments and Achievements

Staff within the organisation responded superbly to the challenges presented by the Covid-19 pandemic, providing an excellent quality of care to the individuals we support, many of whom were unable to attend regular activities for much of the year.

All services regulated by the Care Quality Commission (CQC) have maintained their registration and all our current services are rated "Good".

Achievements and performance

a. Review of activities

Independent Options supports over 200 individuals across its range of services.

Last year was a transitional year for the organisation, focusing on developing our growing services.

Our Supported Living Service grew from 9 to 16 properties during last year, which impacted on our results primarily due to the use of agency staffing caused by sector-wide recruitment challenges. The impact of the Covid-19 pandemic on the jobs market meant we were able to fill vacancies rapidly, and have not needed to use agency staffing since June 2020. This has been reflected in much improved performance this financial year.

Our Guesthouse was closed to guests for much of this financial year as a result of the restrictions imposed by the Covid-19 pandemic. Funding was received to support this service in the year which allowed us to welcome guests at short notice when restrictions did allow.

The Children and Family Centre also had to close during this year due to the restrictions imposed by the Covid-19 pandemic. We continued to provide activities to families remotely throughout the year, which were well received.

Independent Options (North West)
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Achievements and performance (continued)

Our Shared Lives Service delivered excellent care to the individuals supported in the service throughout the difficult circumstances of the Covid-19 pandemic. Regular day provision was closed for much of the year and carers managed the additional responsibility of providing daytime activities fantastically.

We have been informed that the Shared Lives service will be put out for competitive tender. We have made a strategic decision not to compete for this. It is anticipated the service will end in Summer 2022.

b. Investment policy and performance

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The Board of Trustees has considered the most appropriate policy for investing funds and has decided that all funds should be held in risk-free investments, particularly in view of the current economic climate, and that they should be readily accessible. In accordance with this decision, cash funds are held in interest bearing, UK deposit accounts.

c. Factors relevant to achieve objectives

The results for the year are included in the Statement of Financial Activities shown on page 12. The financial position is shown in the balance sheet on page 13.

The principal funding sources are from services under contract to Stockport MBC.

During the year we received a donation of £91,541 from Norwood Trust Limited. A number of individuals we now support in our Supported Living service were previously supported by this organisation.

The Board of Trustees still continue to consider the viability of bonus payments on an annual basis. No bonuses were paid this year.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Whilst it has been a challenging period operationally, the Covid-19 pandemic has had a positive financial impact on the organisation. Most of our services have continued to operate, and staff have worked incredibly hard in extremely challenging times. Where we have had to close services, in particular our Guest House, we have received financial support from the Local Authority meaning we have not been left financially worse off as a result.

We have found that, as other sectors have unfortunately had to make staff redundant, our recruitment situation has improved significantly as a result. This meant a significant reduction in our agency staff costs and represented our first surplus on our core trading activities for several years.

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Financial review (continued)

b. Principal risks and uncertainties

The key risks to the organisation are financial, due to continued austerity and significant increases, as well as proposed increases to the National Living Wage. We have increased our fees for the 2021/22 financial year, and it is likely that future fee increases will be necessary to meet these ongoing pressures. We are engaging with the Local Authorities to discuss our projected funding needs in the coming years.

Recruitment is a major issue within the sector as a whole. Throughout the Covid-19 pandemic we have seen a significant improvement in the recruitment picture due to increasing unemployment in other sectors. Should those sectors recover then it is possible that recruitment will become more challenging again.

All organisations in our sector carry a risk of incidents involving the individuals we support. We have robust safeguarding policies and procedures in place along with regular training for staff to mitigate this risk. All incidents are monitored and reviewed and, where necessary, new systems and procedures are put in place to reduce the likelihood of future incidents.

Our buildings are a key part of our organisation, so keeping them in a good state of repair is important. Our head office at The Pines is based in a Victorian building and we have, in recent years, experienced serious structural issues that we have now addressed. We have regular inspections to identify any potential issues before they become more serious.

c. Reserves Policy

The trustees consider that the level of reserves should be a minimum of 3 months' salary costs which equates to approximately £750,000.

At 31 March 2021, Independent Options had total reserves of £958,564 (2020: £809,266) of which £942,353 (2020: £763,638) is unrestricted and £16,211 (2020: £45,628) is restricted. Of the unrestricted funds, £237,538 (2020: £237,538) has been designated for use towards any future capital or structural projects and £91,541 (2020: £nil) has been designated for the Norwood fund.

The majority of the Charity's reserves are invested in fixed assets which, due to their nature, cannot be readily converted to cash. The Trustees consider that the level of reserves not invested in fixed assets are insufficient to meet the minimum level. They have, therefore, set a strategy which will build the level of reserves in the future. In the light of this situation, the trustees monitor the cash flows of the Charity closely.

The Trustees have determined that all reserves not represented by fixed assets should be held in risk-free investments and they should be readily accessible. In accordance with this decision, cash funds are held in interest bearing, UK deposit accounts.

d. Review of the financial year

The year ended 31 March 2021 showed an improved financial picture. In the previous financial year we opened 7 new tenancies in our Supported Living service. This has brought significant increases in turnover in this service, and the improved recruitment picture has meant that we have seen much improved performance within this service.

Our primary source of funding is from Local Authorities and, although fees have risen, this is against a backdrop of significant increases in the National Minimum Wage, which means that pressures on budgets are still significant.

Structure, governance and management

Independent Options (North West)
(A Company Limited by Guarantee)

Structure, governance and management (continued)

a. Constitution

The charity is registered as a charitable company limited by guarantee and is constituted under a Memorandum of Association dated 01/04/1997. It is a registered charity, number 1022680.

The charity's objects are to relieve the needs of children and adults who have a recognised disability through the provision of a range of community care services and through the provision of training for other organisations to provide similar services.

In accordance with its charitable objects, Independent Options' stated mission is to empower people with disabilities, enabling them to take control of their lives, achieve their aspirations and enjoy life to the full. The charity implements its mission through the delivery of highly personalised support services for adults and children who have a wide range of disabilities, including learning disabilities, autism, physical disabilities, acquired brain injuries and mental health needs.

The charity's work is underpinned by its key values. We believe in a society where every person is respected, listened to and given the same opportunities, regardless of their additional needs. We shape our work to reflect the views and needs of the people who use our services and those of their families and carers. We are committed to excellence in everything we do.

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and services.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The trustees at the date of this report are as noted on page 1.

Governance is by a Board of Trustees, supported by a professional management structure. The Board Trustees are also charity trustees within the definition of Section 177 of the Charities Act 2011 and constitute directors, for Companies Act purposes. The maximum number of Trustees is 16 and the minimum number is 5. There are currently 9 Trustees who bring a wealth of professional skills in finance, business development, human resources, education and IT.

The Board is supported by the Chief Executive, who is responsible for the overall operation of the charity, and the Directors of Finance and Human Resources.

The Board of Trustees has the power, at any time, to appoint Trustees in accordance with procedures set out in the organisation's Code of Governance and Trustee Code of Conduct. Any Trustees appointed in this way can only hold office until the next Annual General Meeting and will then be eligible for re-election by the Members. One third of the Trustees will retire from office at each Annual General Meeting and retiring members are eligible for re-election.

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

d. Policies adopted for the induction and training of Trustees

New Trustees attend an organisational induction as well as a briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and Sub-committee processes, the Business Strategy Plan and recent financial and operating performance of the organisation. Training is provided, which aims to broaden their understanding of the organisation's values, budgets and finances, legislation affecting the sector, and issues relating to quality management and social care regulation.

Independent Options (North West)
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Structure, governance and management (continued)

e. Pay policy for key management personnel

The Senior Management team is considered to be the key management personnel of the organisation. During the year, key management personnel received combined total emoluments of £164,841 (2020: £149,513).

Remuneration for Senior Management is decided at Board Level. Agreed salary scales have been set at Board Meetings and these are reviewed along with pay for the organisation as a whole and is also reconsidered when positions become vacant.

f. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The key risks have been discussed under principal risks and uncertainties within this Trustee report.

g. Future developments

We developed a 3 year strategy for 2020-2023, however this has been impacted by the Covid-19 pandemic, which has necessitated putting many aspects of this on hold temporarily. With the anticipated return to normalcy, we will begin to work towards the goals set within the strategy, whilst also amending as necessary to reflect changing circumstances.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity 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 the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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Auditors

The auditors, Hurst Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

E R Stelfox

Trustee

Date: 31 January 2022

Independent Options (North West)
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Independent Options (North West)

Opinion

We have audited the financial statements of Independent Options (North West) (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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 charitable company's affairs as at 31 March 2021 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 Auditors' Report thereon. The Trustees are responsible for the other information contained within 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 this gives rise to 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.

Independent Options (North West)
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Independent Auditors' Report to the Members of Independent Options (North West) (continued)

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Options (North West)
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Independent Auditors' Report to the Members of Independent Options (North West) (continued)

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

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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud.
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, Anti-bribery and Corruption, Charity Commission regulations, and Charities Act 2011.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.

Enquiring of management about any actual and potential litigation and claims.

- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

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Independent Auditors' Report to the Members of Independent Options (North West) (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. 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.

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

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 we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Besant-Roberts (Senior Statutory Auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

31 January 2022

Independent Options (North West)
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2021

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|------------------------------------|------|------------------------------------|-------------------------------|-----------------------------|---------------------------------------|
| | Note | | | | |
| Income from: | | | | | |
| Donations and legacies | 4 | 188,788 | 2,330 | 191,118 | 35,708 |
| Charitable activities | 5 | 4,150,958 | - | 4,150,958 | 3,748,858 |
| Investments | 6 | 92 | - | 92 | 522 |
| Other income | 7 | - | - | - | 375 |
| Total income | | <u>4,339,838</u> | <u>2,330</u> | <u>4,342,168</u> | <u>3,785,463</u> |
| Expenditure on: | | | | | |
| Raising funds | 8 | 216 | - | 216 | 216 |
| Charitable activities | 9 | 4,162,957 | 29,697 | 4,192,654 | 3,905,747 |
| Total expenditure | | <u>4,163,173</u> | <u>29,697</u> | <u>4,192,870</u> | <u>3,905,963</u> |
| Net income/(expenditure) | | <u>176,665</u> | <u>(27,367)</u> | <u>149,298</u> | <u>(120,500)</u> |
| Transfers between funds | 18 | 2,050 | (2,050) | - | - |
| Net movement in funds | | <u>178,715</u> | <u>(29,417)</u> | <u>149,298</u> | <u>(120,500)</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 763,638 | 45,628 | 809,266 | 929,766 |
| Net movement in funds | | 178,715 | (29,417) | 149,298 | (120,500) |
| Total funds carried forward | | <u>942,353</u> | <u>16,211</u> | <u>958,564</u> | <u>809,266</u> |

The notes on pages 15 to 31 form part of these financial statements.

Independent Options (North West)
(A Company Limited by Guarantee)
Registered number: 02560910

Balance Sheet
As at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 584,347 | 614,504 |
| Current assets | | | |
| Debtors | 14 | 519,348 | 576,472 |
| Cash at bank and in hand | | 965,073 | 827,393 |
| | | <u>1,484,421</u> | <u>1,403,865</u> |
| Creditors: amounts falling due within one year | 16 | (930,070) | (1,000,124) |
| Net current assets | | <u>554,351</u> | <u>403,741</u> |
| Total assets less current liabilities | | <u>1,138,698</u> | <u>1,018,245</u> |
| Creditors: amounts falling due after more than one year | 17 | (180,134) | (208,979) |
| Total net assets | | <u><u>958,564</u></u> | <u><u>809,266</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | 16,211 | 45,628 |
| Unrestricted funds | 18 | 942,353 | 763,638 |
| Total funds | | <u><u>958,564</u></u> | <u><u>809,266</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

E R Stelfox
Trustee

Date: 31 January 2022

The notes on pages 15 to 31 form part of these financial statements.

Independent Options (North West)
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Statement of Cash Flows
For the Year Ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 20 | <u>179,120</u> | <u>29,835</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (13,235) | (29,046) |
| Interest received | | <u>92</u> | <u>522</u> |
| Net cash used in investing activities | | <u>(13,143)</u> | <u>(28,524)</u> |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (24,795) | (21,088) |
| Loan interest paid | | <u>(3,502)</u> | <u>-</u> |
| Net cash used in financing activities | | <u>(28,297)</u> | <u>(21,088)</u> |
| Change in cash and cash equivalents in the year | | 137,680 | (19,777) |
| Cash and cash equivalents at the beginning of the year | | <u>827,393</u> | <u>847,170</u> |
| Cash and cash equivalents at the end of the year | 21 | <u><u>965,073</u></u> | <u><u>827,393</u></u> |

The overall increase in cash and cash equivalents includes an decrease of client monies of £75,303.

Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|-----------------------|-----------------------|
| Analysis of cash and cash equivalents | | |
| Cash in hand | 331,693 | 118,710 |
| Client monies | <u>633,380</u> | <u>708,683</u> |
| | <u><u>965,073</u></u> | <u><u>827,393</u></u> |

There is a corresponding creditor balance in relation to client monies included within other creditors. See note 15 for details.

Independent Options (North West)
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Notes to the Financial Statements
For the Year Ended 31 March 2021

1. General information

Independent Options is a charitable company limited by guarantee incorporated in England, registered number 02560910. The registered address is 67 Chester Road, Hazel Grove, SK7 5PE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Independent Options (North West) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Charity status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2.3 Going concern

Whilst it has been a challenging period operationally, the Covid-19 pandemic has had a positive financial impact on the organisation. Most of the services have continued to operate, and staff have worked incredibly hard in extremely challenging times. Where the Charity have had to close services, in particular the Guest House, they have received financial support from the Local Authority meaning it has not been left financially worse off as a result.

The usage of agency staff due to the difficulty of recruiting staff has had an increasingly detrimental effect on the organisation financially in recent years. However, as other sectors have unfortunately had to make staff redundant, the charity's recruitment situation has improved significantly as a result. This has reduced the charity's agency costs by nearly 90% to-date.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Other income is the surplus made on sale of fixed assets.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.6 Interest receivable

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

2.7 Interest payable

Interest is recognised in the statement of financial activities in the year in which it is incurred.

2.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

| | | |
|--|---|----------------------|
| Freehold property and long leasehold buildings | - | 2% straight line |
| Property improvements | - | 15% reducing balance |
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 15% straight line |
| Computer equipment | - | 33% straight line |
| Freehold land | - | Nil |

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Client assets and liabilities

The charity holds monies on behalf of service users, under which client funds are paid directly to the charity.

The charity is not generally liable as a principal for these amounts.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.18 Redundancy Costs

Redundancy costs are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises redundancy costs when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or provided termination benefits as a result of an offer made to encourage voluntary redundancy.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Accruals and deferred income

Accruals and deferred income are entered in the financial statements based on management expectations, taking into account various factors relevant to each individual item. The charity recognised accruals and deferred income at 31 March 2021 of £139,807 (2020: £121,002).

Bad debts provision

Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date. The charity recognised bad debts provision at 31 March 2021 of £12,276 (2020: £24,163). The gross year end debtor value was £406,368 (2020: £448,169).

Depreciation

The charity exercises judgement in estimating the useful economic life of motor vehicles, computer equipment and fixtures and fittings.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

4. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Donations | 114,654 | 2,330 | 116,984 | 35,708 |
| Government grants | 74,134 | - | 74,134 | - |
| Total 2021 | <u>188,788</u> | <u>2,330</u> | <u>191,118</u> | <u>35,708</u> |
| <i>Total 2020</i> | <u>12,916</u> | <u>22,792</u> | <u>35,708</u> | |

Government grants relates to income received through the Coronavirus Job Retention Scheme during the period.

5. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Central | 26,351 | 26,351 | 56,831 |
| Shared lives | 850,640 | 850,640 | 823,833 |
| Short breaks | 266,152 | 266,152 | 401,232 |
| Supported living | 3,007,654 | 3,007,654 | 2,456,721 |
| The Centre | 161 | 161 | 10,241 |
| Total 2021 | <u>4,150,958</u> | <u>4,150,958</u> | <u>3,748,858</u> |
| <i>Total 2020</i> | <u>3,748,858</u> | <u>3,748,858</u> | |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest received | 92 | 92 | 522 |
| <i>Total 2020</i> | 522 | 522 | |

7. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------|------------------------------------|-----------------------------|-----------------------------|
| Sale of fixed assets | - | - | 375 |
| <i>Total 2020</i> | 375 | 375 | |

8. Fundraising costs

Costs of raising voluntary income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Fundraising | 216 | 216 | 216 |
| <i>Total 2020</i> | 216 | 216 | |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

9. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|------------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Central | 652,559 | 3,115 | 655,674 | 538,524 |
| Shared lives | 712,258 | 250 | 712,508 | 667,138 |
| Short breaks | 109,682 | - | 109,682 | 271,753 |
| Supported living | 2,636,628 | 33 | 2,636,661 | 2,338,500 |
| The Centre | 1,843 | 26,299 | 28,142 | 42,001 |
| Governance | 49,987 | - | 49,987 | 47,831 |
| Total 2021 | <u>4,162,957</u> | <u>29,697</u> | <u>4,192,654</u> | <u>3,905,747</u> |
| <i>Total 2020</i> | <u>3,865,793</u> | <u>39,954</u> | <u>3,905,747</u> | |

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ | Total fund. 2020 £ |
|-------------------|--------------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| Central | 407,662 | 43,392 | 204,620 | 655,674 | 538,524 |
| Shared lives | 706,148 | - | 6,360 | 712,508 | 667,138 |
| Short breaks | 89,611 | - | 20,071 | 109,682 | 271,753 |
| Supported living | 2,609,827 | - | 26,834 | 2,636,661 | 2,338,500 |
| The Centre | 24,576 | - | 3,566 | 28,142 | 42,001 |
| Governance | 41,596 | - | 8,391 | 49,987 | 47,831 |
| Total 2021 | <u>3,879,420</u> | <u>43,392</u> | <u>269,842</u> | <u>4,192,654</u> | <u>3,905,747</u> |
| <i>Total 2020</i> | <u>3,554,645</u> | <u>50,711</u> | <u>300,391</u> | <u>3,905,747</u> | |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

10. Net income/(expenditure)

This is stated after charging:

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - Owned by the charity | <u>43,392</u> | <u>50,711</u> |

During the year, no Trustees received any remuneration (2020: £Nil).

During the year, no Trustees received any benefits in kind (2020: £Nil).

During the year, no Trustees received any reimbursement of expenses (2020: £Nil).

11. Auditors' remuneration

| | 2021 £ | 2020 £ |
|--|--------------|--------------|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | <u>6,120</u> | <u>6,120</u> |

12. Staff costs

| | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 3,556,478 | 3,326,726 |
| Social security costs | 230,989 | 161,478 |
| Pension costs | 91,953 | 66,441 |
| | <u>3,879,420</u> | <u>3,554,645</u> |

The average number of persons employed by the charity during the year was as follows:

| | 2021 No. | 2020 No. |
|-------------------------------|-------------|-------------|
| Provision of care services | 132 | 94 |
| Management and administration | 28 | 25 |
| | <u>160</u> | <u>119</u> |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2021 | <i>2020</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 1 | - |

Key management personnel are considered to be the senior management team. During the year, key management personnel received combined total emoluments of £164,841 (2020: £149,513).

13. Tangible fixed assets

| | Freehold property £ | Long-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Property improvements £ | Total £ |
|--------------------------|------------------------------------|---|---------------------------------|--|--|--------------------|
| Cost or valuation | | | | | | |
| At 1 April 2020 | 550,000 | 146,450 | 21,795 | 240,965 | 384,888 | 1,344,098 |
| Additions | - | - | - | 13,235 | - | 13,235 |
| At 31 March 2021 | 550,000 | 146,450 | 21,795 | 254,200 | 384,888 | 1,357,333 |
| Depreciation | | | | | | |
| At 1 April 2020 | 149,325 | 54,298 | 18,428 | 194,316 | 313,227 | 729,594 |
| Charge for the year | 9,900 | 2,929 | 3,367 | 16,447 | 10,749 | 43,392 |
| At 31 March 2021 | 159,225 | 57,227 | 21,795 | 210,763 | 323,976 | 772,986 |
| Net book value | | | | | | |
| At 31 March 2021 | 390,775 | 89,223 | - | 43,437 | 60,912 | 584,347 |
| <i>At 31 March 2020</i> | <i>400,675</i> | <i>92,152</i> | <i>3,367</i> | <i>46,649</i> | <i>71,661</i> | <i>614,504</i> |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

14. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 411,496 | 424,006 |
| Other debtors | 8,794 | 13,514 |
| Prepayments and accrued income | 99,058 | 138,952 |
| | <u>519,348</u> | <u>576,472</u> |

An impairment gain of £11,887 (2020: impairment loss £4,334) was recognised during the year.

15. Client Monies

The charity holds monies on behalf of service users. At 31 March 2021, the amount held on behalf of service users was £633,380 (2020: £708,683).

16. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|------------------|
| Bank loans | 24,326 | 23,434 |
| Trade creditors | 61,263 | 61,263 |
| Other taxation and social security | 58,284 | 46,259 |
| Other creditors | 646,390 | 748,166 |
| Accruals and deferred income | 139,807 | 121,002 |
| | <u>930,070</u> | <u>1,000,124</u> |

A bank loan was taken out in March 2005 for the purchase of the premises at Hallfield House, 50 Hall Street, Stockport. The bank loan is secured by a First Legal Mortgage over this property.

The bank loan bears interest 1.75% above Natwest Bank plc base rate and is repayable in monthly installments which commenced in April 2005.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

17. Creditors: Amounts falling due after more than one year

| | 2021 | <i>2020</i> |
|-----------------|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Bank loans | 176,848 | <i>202,535</i> |
| Other creditors | 3,286 | <i>6,444</i> |
| | <u>180,134</u> | <i><u>208,979</u></i> |

Included within the above are amounts falling due as follows:

| | 2021 | <i>2020</i> |
|-----------------------------------|----------------------|-----------------------|
| | £ | <i>£</i> |
| Between one and two years | | |
| Bank loans | <u>24,779</u> | <i><u>23,039</u></i> |
| Between two and five years | | |
| Bank loans | <u>77,140</u> | <i><u>72,663</u></i> |
| Over five years | | |
| Bank loans | <u>74,929</u> | <i><u>106,833</u></i> |

A bank loan was taken out in March 2005 for the purchase of the premises at Hallfield House, 50 Hall Street, Stockport. The bank loan is secured by a First Legal Mortgage over this property. The bank loan bears interest of 1.75% above Natwest Bank plc base rate and is repayable in monthly instalments which commenced in April 2005.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

18. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2021 £ |
|--|--|-------------------------|---------------------------|-------------------------------|---|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Future capital and structural project fund | 237,538 | - | - | - | 237,538 |
| Norwood fund | - | 91,541 | - | - | 91,541 |
| | <u>237,538</u> | <u>91,541</u> | <u>-</u> | <u>-</u> | <u>329,079</u> |
| General funds | | | | | |
| General Funds | <u>526,100</u> | <u>4,248,297</u> | <u>(4,163,173)</u> | <u>2,050</u> | <u>613,274</u> |
| Total Unrestricted funds | <u>763,638</u> | <u>4,339,838</u> | <u>(4,163,173)</u> | <u>2,050</u> | <u>942,353</u> |
| Restricted funds | | | | | |
| Donations for restricted use | 16,611 | 1,535 | (3,398) | (8,897) | 5,851 |
| Children and Family Centre | 26,967 | 795 | (26,299) | 8,897 | 10,360 |
| Other restricted funds | 2,050 | - | - | (2,050) | - |
| | <u>45,628</u> | <u>2,330</u> | <u>(29,697)</u> | <u>(2,050)</u> | <u>16,211</u> |
| Total of funds | <u><u>809,266</u></u> | <u><u>4,342,168</u></u> | <u><u>(4,192,870)</u></u> | <u><u>-</u></u> | <u><u>958,564</u></u> |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

18. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 April 2019</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Balance at 31 March 2020</i> |
|---------------------------------|------------------------------------|------------------|--------------------|-------------------------|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Designated Funds | <u>237,538</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>237,538</u> |
| General funds | | | | | |
| General Funds | <u>621,195</u> | <u>3,762,671</u> | <u>(3,866,009)</u> | <u>8,243</u> | <u>526,100</u> |
| Total Unrestricted funds | <u>858,733</u> | <u>3,762,671</u> | <u>(3,866,009)</u> | <u>8,243</u> | <u>763,638</u> |
| Restricted funds | | | | | |
| Donations for restricted use | 24,854 | - | - | (8,243) | 16,611 |
| Children and Family Centre | 46,179 | 22,792 | (42,004) | - | 26,967 |
| Other restricted funds | - | - | 2,050 | - | 2,050 |
| | <u>71,033</u> | <u>22,792</u> | <u>(39,954)</u> | <u>(8,243)</u> | <u>45,628</u> |
| Total of funds | <u>929,766</u> | <u>3,785,463</u> | <u>(3,905,963)</u> | <u>-</u> | <u>809,266</u> |

The Children and Family Centre (formerly Right Start) is project for young children and families which commenced on 1 April 2013.

Other restricted funds relate to the purchase of items including fixed assets where donors have specified what items to purchase.

In 2021, there was a transfer of £2,050 (2020: £8,243) out of restricted funds.

Designated funds are held for use towards future capital or structural projects.

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 584,347 | - | 584,347 |
| Current assets | 1,468,210 | 16,211 | 1,484,421 |
| Creditors due within one year | (930,070) | - | (930,070) |
| Creditors due in more than one year | (180,134) | - | (180,134) |
| Total | <u>942,353</u> | <u>16,211</u> | <u>958,564</u> |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------------|--|--|---------------------------------------|
| Tangible fixed assets | 614,504 | - | 614,504 |
| Current assets | 1,358,237 | 45,628 | 1,403,865 |
| Creditors due within one year | (1,000,124) | - | (1,000,124) |
| Creditors due in more than one year | (208,979) | - | (208,979) |
| Total | <u>763,638</u> | <u>45,628</u> | <u>809,266</u> |

Independent Options (North West)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

20. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|----------------|---------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 149,298 | (120,500) |
| Adjustments for: | | |
| Depreciation charges | 43,392 | 50,711 |
| Interest paid | 3,502 | - |
| Interest received | (92) | (522) |
| Decrease/(increase) in debtors | 57,124 | (242,755) |
| (Decrease)/increase in creditors | (74,104) | 342,901 |
| Net cash provided by operating activities | 179,120 | 29,835 |

21. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Cash in hand | 331,693 | 118,710 |
| Client monies | 633,380 | 708,683 |
| Total cash and cash equivalents | 965,073 | 827,393 |

22. Analysis of changes in net debt

| | At 1 April 2020 £ | Cash flows £ | At 31 March 2021 £ |
|--------------------------|----------------------|-----------------|--------------------------|
| Cash at bank and in hand | 827,393 | 137,680 | 965,073 |
| Debt due within 1 year | (23,434) | (892) | (24,326) |
| Debt due after 1 year | (202,535) | 25,687 | (176,848) |
| | 601,424 | 162,475 | 763,899 |

Independent Options (North West)
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Notes to the Financial Statements
For the Year Ended 31 March 2021

23. Pension commitments

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company into these funds amounted to £91,953 (2020 £66,441). Contributions totalling £15,374 (2020: £12,142) were payable to the fund at the balance sheet date and are included in the accruals.

24. Operating lease commitments

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 | 2020 |
|--|--------------|--------------|
| | £ | £ |
| Not later than 1 year | 3,832 | 3,832 |
| Later than 1 year and not later than 5 years | 1,132 | 2,263 |
| | <u>4,964</u> | <u>6,095</u> |

25. Related party transactions

During the year, £91,541 (2020: £40,000) was received from Norwood Trust Limited, a now dissolved company with a common trustee. The money received in the current year is included within designated funds. The money received in the prior year was included within unrestricted general funds.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.