

IMAGINE INDEPENDENCE

England & Wales · Charity number 1010203

Details

Other names	IMAGINE, MCMHS, MERSEYSIDE COMMUNITY MENTAL HEALTH SERVICES
Status	Registered
Legal form	Charitable company
Company number	02699682
Registered	1992-03-30
Register	View on the Charity Commission register

Contact

Address	Imagine Independence 25 Hope Street Liverpool L1 9BQ
Phone	01517092366
Email	imagine@imagineindependence.org.uk
Website	www.imagineindependence.org.uk

Activities

Objects: The objects for which the Company is established shall be: To promote the preservation and the safeguarding of mental health and to assist in relieving and rehabilitating persons suffering from mental disorder, or conditions of emotional or mental distress, requiring advice or treatment, primarily through the provision of services. The relief of people who are in need by any reason of any physical illness or disability, including but without limitation to learning disabilities and dementia. The relief of their families and carers. The area of Benefit shall be primarily that of England and Wales.

Activities: To promote the preservation and the safeguarding of mental health, assist in relieving and rehabilitating persons suffering from mental disorder, conditions of emotional or mental distress, requiring advice or treatment, through the provision of services. The relief of people who are in need by any reason of any physical illness or disability, including learning disabilities and dementia.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** PRIMARILY ENGLAND AND WALES
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,967,885	£12,062,614	£1,654,126	309
2024-03-31	£12,354,285	£12,429,104	£1,916,915	254
2023-03-31	£11,294,714	£11,425,762	£1,991,734	255
2022-03-31	£10,647,510	£10,410,278	£2,122,782	240
2021-03-31	£9,876,810	£9,545,419	£1,845,133	245

Trustees

Name	Role	Appointed
CHRISTOPHER POOLE	Chair	
Katerina Panagaki		2025-11-12
Michael Thomas Burns		2021-04-14
Richard Anthony Cassidy		2022-02-02
Wendy Karen Baylis-Wareing		2025-08-13

IMAGINE INDEPENDENCE

England & Wales - Charity number 1010203

Accounts

Charity Registration No. 1010203

Company Registration No. 02699682 (England and Wales)

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025



IMAGINE INDEPENDENCE

COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms K Haslam	
	Mr C Poole (acting Chair)	
	Mr R Cassidy	
	Mr M Burns	
	Ms W Baylis-Wareing	(Appointed 28 August 2025)
	Ms K Panagaki	(Appointed 14 November 2025)
Chief Executive	Ms E Mather	
	Mr P Edwards (Interim)	(Resigned 26 June 2024)
Secretary	Mrs E Mather	(Appointed 27 June 2024)
	Mr P Edwards	(Resigned 26 June 2024)
Charity number	1010203	
Company number	02699682	
Registered office	25 Hope Street	
	Liverpool	
	L1 9BQ	
Auditor	Mitchell Charlesworth (Audit) Limited	
	Suites C,D,E, & F	
	14th Floor The Plaza	
	100 Old Hall Street	
	Liverpool	
	L3 9QJ	
Bankers	HSBC plc	
	99-101 Lord Street	
	Liverpool	
	Merseyside	
	L2 6PG	

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CONTENTS

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**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2025**

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)".

The Trustees' Report incorporates the Directors' and Strategic Report as required by Company Law.

Objectives and activities

Imagine Independence is a leading third sector organisation, passionate about supporting people with mental health, neurodiversity, learning disabilities and or autism to live fulfilled lives within the community.

Our purpose is to enrich the lives of people we support, ensuring they live fulfilling and rewarding lives. To achieve our purpose, we ensure the people we support are fully engaged in their care and support, as we believe they are best placed to advise on what support and services will make a positive difference to their lives. Socially inclusive practice is the golden thread that runs through all services.

Our values statement "Valuing People, Challenging Stigma, Transforming Lives" informs everything we do.

We positively recruit people who have personal experience of mental health problems as we believe they can walk by the side of people we support, sharing the wisdom of their recovery journeys to support others.

Our greatest asset is our workforce. Every day our staff and volunteers generously share their experiences, knowledge and talents with the people they support. Through their focused dedication to Imagine's mission, and the courage to challenge the status quo, people feel valued. They know they are making both the "everyday" and the "extraordinary" become possible for everyone. They walk alongside the people they have the privilege to serve, helping them to transform their lives, one day at a time. And they never give up.

Services are principally funded by public sector organisations, including health bodies and local authorities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have operated in accordance with the relevant Imagine governance documents.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

This report includes a further year of financial challenge across the whole of the health and social care sector, including Imagine with the higher than forecast level of inflation and some funders not being able to award inflationary uplifts to meet rising costs.

The challenges ahead include the National Insurance Contribution increasing to 15% and the National Living Wage increasing by 6.7% for people aged 21 and over. Our business strategy includes speaking to commissioners regarding rising costs, reviewing staffing models and central costs to make efficiencies and working with sector bodies to lobby central government.

We have made some improvement regarding recruiting and retaining staff and reducing agency costs, however these areas remain challenging.

We have continued to invest in improving systems, processes, and team capacity to ensure we are equipped to deliver current services and scale effectively.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Imagine has recently completed business planning. We have a Medium -Term Business and Operational Plan, actions include :-

- Strengthening service user involvement
- Further embedding Social Inclusion
- Strengthening Environmental Sustainability
- Strengthening Internal and External Communication

We have revised our audit tool. The new audit tool provides quantitative and qualitative data on service's performance recognising the need to check both compliance with Health Support Chain Association (HSCA) regulation and on the priorities that we have set as an organisation regarding, service user involvement, social inclusion, sustainability and continuous improvement.

We have secured new business and have secured places on the following Frameworks:-

Merseyside HASS (Housing Accommodation Support Service) – commissioned by NHS

Greater Manchester Supporting People to Live Well at Home Flexible Purchasing System – utilised by various GM NHS and local authority bodies within the following categories

- Learning disabilities
- Neurodivergent
- Complex mental health
- Complex lives

Sefton Social Inclusion Service – 12 months contract secured.

Financial review

Imagine made an overall deficit of £106,946 in 2024/25 (compared to a deficit of £230,662 in 2023/24). Last year we reported that the deficit was predominantly due to the additional costs resulting from employing agency staff in our services. We have made considerable steps in addressing this during 2024/25 reducing overall agency usage by nearly 30%.

Whilst disappointing that there has been a further deficit in 2024/25, it is broadly as budgeted and reflects the increased turbulence across the health and social care sector. The Executive Management Team, under new leadership, is focusing on the long-term financial sustainability of the organisation reviewing the viability of our existing direct services, bidding for new contracts and benchmarking our corporate and management costs to ensure value for money.

Despite the deficit, the organisation's total reserves were £1,654,126 at 31 March 2025, of which £889,665 relates to free reserves, compared to £1,761,072 at 31 March 2024 (free reserves £974,819) which is considered sufficient.

The prior year figures have been adjusted which has significantly increased the 2023/24 deficit, which is now £230,662, more detail is shown in note 23.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use or invested in fixed assets should be maintained at a level equivalent to a minimum of 10% of gross income. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The free reserves as a percentage of 2024/25 turnover is 7.4% and, whilst this is not considered to be a significant shortfall on the approved policy, it has been noted and is subject to review at each meeting of the Finance and Performance Committee.

Whilst the overall balance sheet and financial standing remains adequate, we have continued to face delays in getting payments from some of our commissioners. In recent years the operations that Imagine deliver have increased in complexity and we now support people with greater needs and consequently, individually the funding is of a higher value. In addition, a number are through county-wide Frameworks and each placement is funded differently. During 2024/25 we have continued to improve our processes to ensure new packages are promptly added to the relevant Commissioner new processes were implemented to ensure that most packages were added to Commissioners' portals promptly. However, there remain a small number of placements that require further review.

It is important to note that, unlike traditional businesses, Imagine, as a social care charity, does not consider it an appropriate option to terminate the support for an individual because of slow or late payment.

The complete results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Risk policy

The Board's review of risk continues to be broadly based on the key risks shown below. The register is supported by detailed operational policies and procedures which are regularly reviewed internally and externally audited. The corporate risk register comprises four themes:

- Theme 1 – Operational Risks
- Theme 2 – Quality/Governance Risks
- Theme 3 – Financial Risks
- Theme 4 – Business Risks

The trustees assess all identified and potential risks together with the actions proposed to mitigate the impact on Imagine. The Risk Register is divided into three sections including Operations, Finance and Governance and Business Systems. The board have focused on the highest scoring risks in each area which are listed below:-

- Key Risk Operations – Not having appropriately trained and high performing staff in appropriate positions.
Controls in place include having safer recruitment practices, corporate and local induction processes, full training pathways, monitoring of training undertaken.
- Key Risk Finance – Inadequate level of general unrestricted reserves.
- Controls in place include budget monitoring at Board and SMT level, prompt and decisive actions to address non-viable services.
- Key Risk 3 – Governance and Business Systems – Inadequate governance structure and processes.
- Control in place include Memorandum of Articles reviewed annually, Key Risk Register Statement regularly reviewed, investment in training and development of Trustees.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

The implications, various actions and responsibilities linked to these risks have been considered and documented by the Board during 2024/25.

The trustees have assessed the major risks to which charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Our approach to Growth – Over the next 5-10 years, there will be three main elements of our new strategy, all contributing to our core objectives of helping those we work with live their best lives which are keeping true to our values, enhancing our capabilities, expanding our reach.

Our key aim is to grow our income base to take advantage of scale efficiencies and to diversify our income sources to reduce reliance on single streams.

We will:

- Continue to deliver high quality services to ensure we are re-commissioned for those services we want to keep when current contracts end.
- Explore fee uplifts from commissioners where fees have not been automatically updated.
- Build strong relationships with commissioners demonstrating impact through case studies.
- Tender for appropriate services where there are opportunities to take on additional support packages in areas we operate in that can provide sufficient margins and contribute to management and central costs.
- We will consider applying to join Supported Living Frameworks in areas we operate in, where the fee rate allows for all service costs to be covered.
- Explore grant opportunities as they arise.

Equality and Diversity

We recognize that Equality, Diversity and Inclusion (EDI) work requires sustained effort, and high-level commitment. Our EDI work is therefore being led and overseen personally by our CEO, with active engagement of our Board, staff, service users, their families, and other stakeholders.

Environmental Issues

The Board is mindful of the organisation's environmental impact. Our environmental policy and strategy will be reviewed which will align with our commitment to reduce the environmental impact of services.

Employment and Training

Imagine is dedicated to providing exceptional person-centred care by cultivating a thriving, well-supported, and skilled workforce empowered to meet diverse client needs. We will review our training pathways, continue to invest in to Train the Trainer programmes and co-produce a number of training sessions.

Improving Business systems

Good progress continues to be made in the implementation of the People HR system, which will significantly enhance our ability to manage workforce data, streamline HR and recruitment processes, and ensure compliance with reporting requirements.

Lone Working System – Orbis:

We are rolling out a new lone worker safety app, which will be mandatory for Support and Senior Support Workers.

Telephony & Internet:

We are planning to undertake a full review of telephony which will include exploring the potential to phase out landlines in favour of MS Teams.

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

IT System improvements currently underway include:

- Multi-Factor Authentication (MFA): Scheduled for implementation shortly.
- SharePoint Migration
- Internet Upgrades
- Device Upgrades

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms P Berry (Chair)	(Resigned 13 August 2025)
Mr A P Connor	(Resigned 21 August 2024)
Ms K Haslam	
Mr C Poole (acting Chair)	
Mr R Cassidy	
Mr M Burns	
Ms W Baylis-Wareing	(Appointed 28 August 2025)
Ms K Panagaki	(Appointed 14 November 2025)

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. The Board of Directors are the charity's trustees. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related third party transactions are disclosed in the notes to the accounts.

Our trustees are recruited by direct approach, recruitment advertising or word of mouth. On appointment, all new trustees meet with relevant staff to receive a full induction into the operations and governance of Imagine. In addition, they are given access to the dedicated trustee database of meeting reports and minutes and other key documents. Ongoing development is supported through visits to services and invitations to attend our regular management training events.

The full Board meets on a quarterly basis to consider policy, strategy and corporate governance. In the week prior to the Board, the Finance and Planning Committee meet to review the financial position of the charity and have responsibility for the overview and monitoring of strategic financial planning, corporate governance and budgetary processes. These timetabled meetings are supplemented by additional meetings to consider budget-setting and, if necessary, to finalise the accounts.

We are in the process of recruiting one new Trustee and are planning to recruit other Trustees to fill skill gaps, following this we will review committee structures.

Formal trustee meetings are held in person, however there is the opportunity to join online via Teams. Meetings are attended by members of the charity's Executive Management Team. Elaine Mather is CEO and Company Secretary.

Pay Policy for Senior Staff

The Senior Management Team (SMT) is comprised of the key management personnel of the charity, who are responsible for directing and controlling, running and operating services on a day-to-day basis. The pay of the SMT is reviewed annually, at the same time as the pay of all staff is considered. In view of the financial pressures on the organisation from the public sector austerity measures, it is not considered appropriate for any automatic uprating of salaries in line with any index. Salary levels are considered in the context of the recruitment pressures, statutory guidance, financial performance, budgetary projection and the overall financial health of the charity. During 2024/25, senior managers received a percentage salary increase in line with that awarded to all other staff.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Contingent liabilities

Contingent liabilities continue to be an issue, which are a matter of discussion between Imagine and the Pensions Trust. As stated in previous reports, the deficit is small and represents a technical deficit only, with no immediate prospect of a call on charitable funds to supplement the Pension Trust's assets. This is monitored throughout the year when new information is made available and when a new actuarial valuation/funding statement is issued.

Conclusion

This report reflects a year of continuing challenge for Imagine. It is pleasing to note that, as a result of the improvements achieved in recent years, the staffing resources and financial standing of the charity have proved robust enough to meet these challenges.

The trustees warmly acknowledge and thank staff, volunteers and the people being supported for their individual contributions to Imagine's work.

Auditor

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

We commend this report as an accurate and fair account of Imagine Independence's activities from April 2024 to March 2025.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr C Poole (acting Chair)

Trustee

Dated: 19 December 2025

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Imagine Independence for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Opinion

We have audited the financial statements of Imagine Independence (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2025 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF IMAGINE INDEPENDENCE**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF IMAGINE INDEPENDENCE**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Tony Stanley ACA (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited

22 December 2025

Accountants
Statutory Auditor

Suites C,D,E, & F
14th Floor The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 as restated £
Income from:			
Donations and legacies	3	3,639	49,301
Charitable activities - Income	4	11,964,246	12,149,141
Total income		11,967,885	12,198,442
Expenditure on:			
Charitable activities - Expenditure	5	12,062,614	12,429,104
Total expenditure		12,062,614	12,429,104
Net (expenditure)/income for the year		(94,729)	(230,662)
Other recognised gains and losses			
Actuarial loss on defined benefit pension schemes		(12,217)	-
Net movement in funds		(106,946)	(230,662)
Reconciliation of funds			
Fund balances at 1 April 2024		1,761,072	1,991,734
Fund balances at 31 March 2025		1,654,126	1,761,072

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2025

		2025		2024 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		5,508		8,262
Tangible assets	11		758,953		777,991
			<u>764,461</u>		<u>786,253</u>
Current assets					
Debtors	13	1,263,586		1,459,663	
Cash at bank and in hand		495,374		804,976	
		<u>1,758,960</u>		<u>2,264,639</u>	
Creditors: amounts falling due within one year	14	<u>(856,963)</u>		<u>(1,284,267)</u>	
Net current assets			901,997		980,372
Total assets less current liabilities			1,666,458		1,766,625
Provisions for liabilities	16		<u>(12,332)</u>		<u>(5,553)</u>
Total net assets			<u>1,654,126</u>		<u>1,761,072</u>
The funds of the charity					
Unrestricted funds			1,654,126		1,761,072
Total charity funds			<u>1,654,126</u>		<u>1,761,072</u>

The financial statements were approved by the trustees and authorised for issue on 19 December 2025 and are signed on its behalf by:

Mr C Poole (acting Chair)
Trustee

Company Registration No. 02699682

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(210,835)		542,542
Investing activities					
Purchase of intangible assets		-		(11,016)	
Purchase of tangible fixed assets		(98,767)		(109,733)	
Net cash used in investing activities			(98,767)		(120,749)
Net (decrease)/increase in cash and cash equivalents			(309,602)		421,793
Cash and cash equivalents at beginning of year			804,976		383,183
Cash and cash equivalents at end of year			495,374		804,976

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

Charity information

Imagine Independence is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Hope Street, Liverpool, L1 9BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

(Continued)

Income from grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of financial activities under the heading charitable activities.

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and support costs are allocated to charitable activities in the SOFA based on the following allocation method

Senior management salary costs - staff time
Senior management employer's costs - staff time
Employer costs - staff time
Premises expenses - use of location
Office running costs - usage of items

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs and website	25% p.a on cost
-------------------------------	-----------------

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% p.a. on cost
Leasehold land and buildings	2 - 4% p.a. on cost
Fixtures and fittings	10% - 33.33% p.a. on cost
Computers	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

1 Accounting policies

(Continued)

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

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

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

Bad and Doubtful Debts

Trade Debtors are recorded at their estimated realisable value. The recoverability of these debts is subject to various external influences such as the economic environment as well as more tangible factors such as the age of the debt. The trustees estimate what value of these debts is likely to be irrecoverable and then maintain an ongoing provision.

3 Donations and legacies

	2025	2024
	£	£
Donations and gifts	3,639	16,534
Grants receivable	-	32,767
	<u>3,639</u>	<u>49,301</u>
	<u>3,639</u>	<u>49,301</u>
Grants receivable for core activities		
Mental Health First Aid Training	-	28,360
Other	-	4,407
	<u>-</u>	<u>32,767</u>
	<u>-</u>	<u>32,767</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

4 Charitable activities - Income

Promoting independent lives

	2025	Restated 2024
	£	£
Income from charitable activities	10,665,411	10,691,151
Service funding	21,820	64,713
Shared rents and service charges (2024 restated as per note 23)	1,277,015	1,393,277
	<u>11,964,246</u>	<u>12,149,141</u>

5 Charitable activities - Expenditure

Promoting independent lives

	2025	2024
	£	£
Staff costs	9,560,780	9,696,730
Other staff costs	119,694	86,866
Travel	60,317	91,207
Premises and office costs	1,765,648	1,918,576
Service costs	108,784	163,502
Other	72,911	122,736
	<u>11,688,134</u>	<u>12,079,617</u>
Share of support costs (see note 6)	173,501	141,796
Share of governance costs (see note 6)	200,979	207,691
	<u>12,062,614</u>	<u>12,429,104</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

6 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Depreciation and amortisation	120,625	-	120,625	117,146	-	117,146
Bank charges	2,245	-	2,245	2,689	-	2,689
General expenses	50,631	-	50,631	21,961	-	21,961
Audit fees	-	19,950	19,950	-	19,000	19,000
Accountancy & payroll	-	16,568	16,568	-	8,326	8,326
Legal and professional	-	164,461	164,461	-	180,365	180,365
	<u>173,501</u>	<u>200,979</u>	<u>374,480</u>	<u>141,796</u>	<u>207,691</u>	<u>349,487</u>
Analysed between						
Charitable activities	<u>173,501</u>	<u>200,979</u>	<u>374,480</u>	<u>141,796</u>	<u>207,691</u>	<u>349,487</u>

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2025	2024
	£	£
Fees payable to the charity's auditor		
Audit of the charity's annual accounts	<u>19,950</u>	<u>19,000</u>
Non-audit services		
All other non-audit services	<u>16,568</u>	<u>8,326</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees in the year (2024 £nil) .

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

9 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Clerical, administrative and directors	28	26
Support care staff	281	297
Total	309	323

Employment costs	2025	2024
	£	£
Wages and salaries	8,654,350	8,809,056
Social security costs	722,516	704,413
Other pension costs	183,914	183,261
	9,560,780	9,696,730

Included in wages and salaries are termination payments of £21,363 (2024: £12,844) and payments to agency staff and temporary workers of £583,343 (2024: £818,527).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2024
	Number	Number
£60,000 - £70,000	2	3
£70,000 - £80,000	-	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

10 Intangible fixed assets

	Development costs and website £
Cost	
At 1 April 2024	17,616
At 31 March 2025	17,616
Amortisation	
At April 2024	9,354
Amortisation charged for the year	2,754
At 31 March 2025	12,108
Carrying amount	
At 31 March 2025	5,508
At 31 March 2024	8,262

11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2024	579,945	330,093	323,045	131,980	1,365,063
Additions	-	-	72,865	25,902	98,767
At 31 March 2025	579,945	330,093	395,910	157,882	1,463,830
Depreciation and impairment					
At 1 April 2024	133,803	117,233	255,583	80,453	587,072
Depreciation charged in the year	11,599	8,469	68,440	29,297	117,805
At 31 March 2025	145,402	125,702	324,023	109,750	704,877
Carrying amount					
At 31 March 2025	434,543	204,391	71,887	48,132	758,953
At 31 March 2024	446,142	212,860	67,462	51,527	777,991

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

12	Financial instruments		2025	2024
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		1,704,353	2,168,544
	Carrying amount of financial liabilities			
	Measured at amortised cost		674,833	876,527
13	Debtors			Restated
			2025	2024
	Amounts falling due within one year:		£	£
	Trade debtors		673,518	680,221
	Other debtors		27,836	28,963
	Prepayments and accrued income		562,232	750,479
			1,263,586	1,459,663
14	Creditors: amounts falling due within one year			Restated
			2025	2024
		Notes	£	£
	Other taxation and social security		168,806	159,447
	Deferred income	15	13,324	248,293
	Trade creditors		122,897	272,019
	Other creditors		229,090	277,257
	Accruals		322,846	327,251
			856,963	1,284,267

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

15 Deferred income

	2025	2024
	£	£
Other deferred income	13,324	248,293
	<u> </u>	<u> </u>

Deferred income is included in the financial statements as follows:

	2025	2024
	£	£
Total deferred income at 1 April 2024	248,293	18,718
Amounts received in year	13,324	248,293
Amounts credited to statement of financial activities	(248,293)	(18,718)
	<u> </u>	<u> </u>
Total deferred income at 31 March 2025	13,324	248,293
	<u> </u>	<u> </u>

Included in deferred income are receipts which relate to a future accounting period and will be recognised to match the delivery of the service.

16 Provisions for liabilities

	2025	2024
	£	£
Retirement benefit obligations	12,332	5,553
	<u> </u>	<u> </u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £183,914 (2024 - £183,261).

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

17 Retirement benefit schemes

(Continued)

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028: £2,100,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum
(payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2025	2024	2023
	£	£	£
Present values of provision	12,332	5,553	11,888

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

17 Retirement benefit schemes

(Continued)

Reconciliation of opening and closing provisions

	2025	2024
	£	£
At 1 April 2024	5,553	11,888
Unwinding of the discount factor (interest expense)	146	455
Deficit contribution paid	(5,662)	(6,794)
Remeasurements - impact of any change in assumptions	78	(4)
Remeasurements - amendments to the contribution schedule	12,217	-
	<u>12,332</u>	<u>5,553</u>

Income and expenditure account

	2025	2024
	£	£
Interest expense	146	455
Remeasurements - impact of any change in assumptions	78	4
Remeasurements - amendments to the contribution schedule	12,217	-
	<u>12,441</u>	<u>459</u>

Assumptions

	2025	2024
	%	%
Rate of discount - % per annum	4.84	5.31

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Other information

The following schedule details the deficit contributions agreed between the company and the scheme at the end of each period

	2025	2024
	£	£
Year 1	4,400	5,662
Year 2	4,400	-
Year 3	4,400	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	857	3,141
Between two and five years	6,857	-
In over five years	857	-
	<u>8,571</u>	<u>3,141</u>

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2025 £
General funds	1,761,072	11,967,885	(12,062,614)	-	(12,217)	1,654,126
	<u>1,761,072</u>	<u>11,967,885</u>	<u>(12,062,614)</u>	<u>-</u>	<u>(12,217)</u>	<u>1,654,126</u>
Previous year:	At 1 April 2023	Income	Expenditure	Transfers	Gains and losses	At 31 March 2024
	£	Restated £	£	£	£	Restated £
Future service development	55,155	-	-	(55,155)	-	-
General funds	1,936,579	12,198,442	(12,429,104)	55,155	-	1,761,072
	<u>1,936,579</u>	<u>12,198,442</u>	<u>(12,429,104)</u>	<u>55,155</u>	<u>-</u>	<u>1,761,072</u>
	<u>1,991,734</u>	<u>12,198,442</u>	<u>(12,429,104)</u>	<u>-</u>	<u>-</u>	<u>1,761,072</u>

During a prior year the charity received a Just Giving donation of £20,699 and a legacy of £34,456 which have been earmarked for future service development. It was discussed last year and the decision was made that these projects will no longer be going ahead and therefore the funds have been released back to general unrestricted funds.

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025	2024
	£	£
Aggregate compensation	368,195	355,618

During the year an amount of £3,000 (2024: £9,000) was paid to the partner of a member of key management for ad hoc administration work. The amounts paid were considered to be equal to the market rate for the services provided.

There were no other related party transactions in the year.

21 Cash (absorbed by)/generated from operations

	2025	2024
	£	£
		as restated
Deficit for the year	(94,729)	(230,662)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	120,559	117,146
Difference between pension charge and cash contributions	(12,217)	-
Movements in working capital:		
Decrease in debtors	196,077	393,425
(Decrease)/increase in creditors	(192,335)	258,051
(Decrease)/increase in provisions	6,779	(6,334)
(Decrease)/increase in deferred income	(234,969)	10,916
Cash (absorbed by)/generated from operations	(210,835)	542,542

22 Company limited by guarantee

Imagine independence is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

23 Prior period adjustment

Changes to the balance sheet

	At 31 March 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	1,600,316	(140,653)	1,459,663
Creditors due within one year			
Other creditors	(861,337)	(15,190)	(876,527)
	<u> </u>	<u> </u>	<u> </u>
Net assets	1,916,915	(155,843)	1,761,072
	<u> </u>	<u> </u>	<u> </u>
Capital funds			
Income funds			
Unrestricted funds	1,916,915	(155,843)	1,761,072
	<u> </u>	<u> </u>	<u> </u>
Total equity	1,916,915	(155,843)	1,761,072
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 March 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Charitable activities - Income	12,304,984	(155,843)	12,149,141
	<u> </u>	<u> </u>	<u> </u>
Net movement in funds	(74,819)	(155,843)	(230,662)
	<u> </u>	<u> </u>	<u> </u>

During the year, the charity identified that errors has arisen in the recognition of housing income in previous years and this resulted in a material overstatement of the closing housing income receivable balance.
In accordance with FRS102 SORP the comparative figures have been restated to correct this material prior year error.
The effect of the restatement on the charity's financial statements is set out in the above table.

IMAGINE INDEPENDENCE

England & Wales - Charity number 1010203

Accounts

Charity Registration No. 1010203

Company Registration No. 02699682 (England and Wales)

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms P Berry (Chair) Mr M Burns Ms K Haslam Mr C Poole Mr R Cassidy	
Chief Executive	Ms E Mather Mr P Edwards (Interim)	(Resigned 30 June 2024)
Secretary	Mrs E Mather Mr P Edwards	(Appointed 27 June 2024) (Resigned 26 June 2024)
Charity number	1010203	
Company number	02699682	
Registered office	25 Hope Street Liverpool L1 9BQ	
Auditor	Mitchell Charlesworth (Audit) Limited Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	HSBC plc 99-101 Lord Street Liverpool L2 6PG	

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CONTENTS

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**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2024**

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)".

The Trustees' Report incorporates the Directors' and Strategic Report as required by Company Law.

Objectives and activities

Imagine Independence is a leading third sector organisation, passionate about supporting people with mental illness, neurodiversity, learning disabilities, and challenging behaviours to live as part of their community. Imagine exists to challenge the stigma that having a mental illness or learning disability still brings. Imagine supports people to live meaningfully by nurturing their individuality and recognising the power of small steps.

Imagine supports people to live full and independent lives by empowering and enabling people to be actively involved in managing their mental and physical health, developing peer support networks and supporting service users to access socially inclusive or employment services.

These objectives are supported through services principally funded by public sector organisations, including health bodies and local authorities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have operated in accordance with the relevant Imagine governance documents.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Achievements and performance

This report focuses on a further year of challenge across the whole health and social care sector, including Imagine. These challenges included the higher than forecast level of inflation which, with a small number of contracts at a fixed price, have impacted on viability. However, the greatest challenge to the sector has been the difficulty in recruiting and retaining staff. As the majority of our services are commissioned for a specific number of hours to ensure the provision of safe and appropriate support there can be no question of carrying vacancies and/or under-delivering support. As a result, these difficulties in recruiting staff have resulted in the need for a higher level of use of agency staff than planned which has had financial and operational consequences on performance in 2023/24.

This has underlined the weaknesses in a social care system that has been underfunded during the last decade of austerity. These financial pressures were partly offset by the availability of short-term exceptional grants during the COVID pandemic to enable local authorities to provide additional financial support to providers facing staffing difficulties. Despite the continuing, but different, challenges, no equivalent was available in 2023/24 and it is likely that the financial pressures will continue to be a feature for the short term.

These issues have been and continue to be raised with our public sector commissioners but it's important to note that they are also facing additional unplanned expenditure resulting from the current high rates of inflation.

As well as challenges, the pandemic also provided the impetus and opportunities for organisational transformation. The Board's aim for Imagine to become 'digital by default' during the period from 2020-23 has been supported by the growth in the use of technology to deliver and manage services and work and meet remotely. One of the specific impacts of the move to hybrid working has been a reduction in the need for office space and Imagine is currently looking at options to relocate our Head Office away from Hope Street in Liverpool.

The use of technology has also included the introduction of our digital management information system, Access. The initial modules have focussed on the creation and use of an online database relating to the people we support and to monitor our compliance with CQC standards. During 2023/24 we have been implementing a new on-line training module alongside a project to introduce a new HR system. Whilst these developments have increased the use of technology across the charity, they have also opened up opportunities to review job roles. It is expected that a new corporate structure will be finalised during 2024/25.

The reason why Imagine exists is to support people to live better and more independent lives than would otherwise be possible. This can only be achieved if we employ people who share our passion for meeting these objectives. In 2022, through engagement from the entire workforce, including surveys, questionnaires, working parties and workshops, we collectively produced and launched Imagine's Values. These are wholly-representative of Imagine's staff and a reflection of what matters to us. The Values that we identified are:

- Meaningful Living – using empathy to bring together diverse people and resources, to put everyday within reach of everyone;
- Nurturing Individuality – creating conditions that support people to be true to themselves and express their truth;
- Focused Dedication – showing up each day hungry to learn and develop, we never give up on people;
- Challenging Ideas – keeping our efforts real and centred on what matters most, we do not settle for the ordinary when better is possible;
- Generous Sharing – giving of ourselves, our experience and knowledge, to promote and provide a great service.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

During 2023/24 we have continued to promote the Values and Behaviour Framework internally and externally and embed the communication and understanding of them across our processes and documentation. In addition to supporting our objectives we hope that the promotion of our Values will help us to address the staff shortages in the post-pandemic health and social care sector and attract and retain staff with similar beliefs; further we hope that it provides assurance to our stakeholders of our commitment to both the people we support and our workforce.

Imagine provides services across the North West of England and London under contract to public sector bodies. The pandemic has impacted on the number of new services being commissioned and, as a result, there have been relatively few changes in the services being provided during 2023/24.

The new services opened during 2022/23 were new placements under existing Frameworks commissioned by Sefton Council and Lancashire County Council. In addition, our long-standing Employment Support services in Sefton were further expanded by the introduction of a new IAPT service in November 2023. This service provides employment support for people who are supported in Primary Care and is commissioned by DWP.

As part of our response to the new financial pressures emerging in 2023/24, we have looked to rationalise our supported accommodation services to minimise the financial and operational impact of void properties. Consequently, during 2023/24 we handed back three properties to landlords to allow us to consolidate support in the remaining locations. In addition, during 2023/24 we opted not to renew one service in Lancashire that was no longer financially viable, although this continued until it was transferred to a new provider in April 2024.

Financial review

Imagine made an overall deficit of £74,819 in 2023/24 (compared to a deficit of £131,048 in 2022/23), which was largely due to the additional costs resulting from employing agency staff in our services.

In the Accounts for 2022/23 we reported that the deficit in that year did not undermine the success in meeting the objectives of the Financial Recovery Plan approved by the Board in 2018. Whilst disappointing that there has been a further deficit in 2023/24, it is broadly as budgeted and reflects the increased turbulence across the health and social care sector. We are, once again, in a period of transition and, as set out above, have been reviewing the viability of our direct services and benchmarking our corporate and management costs to ensure value for money.

Despite the deficit, the organisation's total reserves were £1,916,915 at 31 March 2024, of which £1,130,662 relates to free reserves, compared to £1,991,734 at 31 March 2023 (free reserves £1,153,928) which is considered sufficient.

The complete results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use or invested in fixed assets should be maintained at a level equivalent to a minimum of 10% of gross income. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At 31 March 2024 as a percentage of 2023/24 turnover, the free reserves are 9.2% and, whilst this is not considered to be a significant shortfall on the approved policy, it has been noted and is subject to review at each meeting of the Finance and Performance Committee.

Whilst the overall balance sheet and financial standing remains adequate, we have faced delays in getting payments from some of our commissioners. In recent years the operations that Imagine deliver have increased in complexity and we now support people with greater needs and consequently, individually the funding is of a higher value. In addition, a number are through county-wide Frameworks and each placement is funded differently. During 2023/24 new processes were implemented to ensure that packages were added to Commissioners' portals promptly and this is reflected in the increased level of cash at bank at the end of the financial year. However, there remain a small number of placements that require further review.

It is important to note that, unlike traditional businesses, Imagine, as a social care charity, does not consider it an appropriate option to terminate the support for an individual because of slow or late payment.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Risk policy

The Board's review of risk continues to be broadly based on the key risks shown below. The register is supported by detailed operational policies and procedures which are regularly reviewed internally and externally audited. The corporate risk register comprises five themes:

- Theme 1 – Governance Risks
- Theme 2 – Operational Risks
- Theme 3 – Financial Risks
- Theme 4 – External/Environmental Risks
- Theme 5 – Compliance Risks

The trustees assess all identified and potential risks together with the actions proposed to mitigate the impact on Imagine. Although these risks tend to remain relatively consistent, they have been re-evaluated across the year under consideration to reflect the potential for increased risks as a result of the pandemic. During 2023/24 within the overall risks the Board decided to focus on three Key Risks:

- Key Risk 1 – Inadequate Staff Levels - Inability to meet staffing requirements stated in COP/DOL orders and commissioned hours stated in contracts.
- Key Risk 2 – Finance - The level of general and cash balances will be insufficient to support the Charity as a going concern.
- Key Risk 3 - Governance and Business Systems - The failure of relevant, responsible individuals and groups of individuals to monitor the delivery and impact of all services. The Strategic Plan incorporates the objective of delivering services as "digital by default", in addition, the move to greater use of remote and home-working generates increased reliance on communication networks and processes. The key risk is that these processes will be unable to deliver contractual services in a secure, confidential, reliable way.

The implications, various actions and responsibilities linked to these risks have been considered and documented by the Board during 2023/24.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Since the end of the pandemic in 2022, Imagine has faced a number of challenges common across the Health and Social Care sector. The current focus is on mitigating and addressing these challenges. Some are continuing and our response to these and other emerging threats and opportunities will be reflected in the preparation of a revised Business Plan during 2024/25.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms P Berry (Chair)

Mr M Burns

Mr A Connor

(Resigned 21 August 2024)

Ms K Haslam

Mr C Poole

Mr R Cassidy

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. The Board of Directors are the charity's trustees. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related third party transactions are disclosed in the notes to the accounts.

Our trustees are recruited by direct approach, recruitment advertising or word of mouth. On appointment, all new trustees meet with relevant staff to receive a full induction into the operations and governance of Imagine. In addition, they are given access to the dedicated trustee database of meeting reports and minutes and other key documents. Ongoing development is supported through visits to services and invitations to attend our regular management training events.

The full Board meet on a quarterly basis to consider policy, strategy and corporate governance. In the week prior to the Board, the Finance and Planning Committee meets to review the financial position of the charity and has responsibility for the overview and monitoring of strategic planning, corporate governance and budgetary processes. These timetabled meetings are supplemented by additional meetings to consider budget-setting and, if necessary, to finalise the accounts.

We are looking to recruit new trustees and, following this expansion, we have plans to introduce separate meetings of the following committees :

- a. Quality and Performance Committee – responsible for the overview of service standards and compliance with statutory, regulatory and commissioning standards;
- b. The HR Committee - responsible for the oversight of all matters related to the recruitment, retention and reward of staff.

All formal trustee meetings continue to be held online via Teams and are also attended by members of the charity's Senior Management Team. During 2023/24 the Board elected to defer the recruitment of a permanent replacement to the Chief Executive's post, opting to retain Elaine Mather (Deputy Chief Executive and Chief Operating Officer) and Paul Edwards (Assistant Chief Executive) as Co-Chief Executives on an interim basis. Paul Edwards also assumed the role of interim Company Secretary. Since the end of the financial year, Elaine has been appointed as full-time, permanent Chief Executive Officer, following Paul's retirement in June 2024.

Between formal Board meetings, the Trustees maintain contact with each other and the SMT to monitor ongoing issues and to decide the agenda for the formal Board meeting. During 2023/24 more regular, informal meetings have been introduced between Pauline Berry (Chair of the Board) and the Interim CEOs.

The Board has recently updated the Memorandum and Articles of Association and, following the appointment of Elaine as the new Chief Executive, will be updating the Medium-Term Strategic Plan.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Pay Policy for Senior Staff

The Senior Management Team (SMT) is comprised of the key management personnel of the charity, who are responsible for directing and controlling, running and operating services on a day-to-day basis. The pay of the SMT is reviewed annually, at the same time as the pay of all staff is considered. In view of the financial pressures on the organisation from the public sector austerity measures, it is not considered appropriate for any automatic uprating of salaries in line with any index. Salary levels are considered in the context of the recruitment pressures, statutory guidance, financial performance, budgetary projection and the overall financial health of the charity. During 2023/24, senior managers received a percentage salary increase in line with that awarded to all other staff.

Environmental Issues

The Board is mindful of the organisation's environmental impact and following the completion of the governance review will seek to appoint an environmental champion when its numbers increase.

Employment and Training

Imagine is committed to equal access and opportunity. We respect and value the diversity of our workforce, volunteers and people we support to ensure all are treated with dignity and respect.

Imagine is committed to the continual development and training of staff. All new support staff complete the Care Certificate along with induction in their first 12 weeks of employment and we continue to create learning opportunities for all staff to develop appropriate skills and understanding, unique to their roles. Additionally, we actively support and encourage our team members to pursue their professional aspirations by providing opportunities to attain management qualifications, including Level 5 certification, to promote career progression.

The majority of our training is delivered through our online training modules. This is complemented by additional courses delivered on a more traditional face to face basis. During 2023/24 alongside the introduction of the new Access online learning module, we created a new Learning and Development Team within the HR Department to oversee and co-ordinate training across the Charity. This Team has facilitated regular Management Training Days to provide and refresh training on a number of key issues to all managers and Trustees.

Contingent liabilities

Contingent liabilities continue to be an issue, which are a matter of discussion between Imagine and the Pensions Trust. As stated in previous reports, the deficit is small and represents a technical deficit only, with no immediate prospect of a call on charitable funds to supplement the Pension Trust's assets. This is monitored throughout the year when new information is made available and when a new actuarial valuation/funding statement is issued.

Conclusion

This report reflects a year of continuing challenge for Imagine. It is pleasing to note that, as a result of the improvements achieved in recent years, the staffing resources and financial standing of the charity have proved robust enough to meet these challenges.

The trustees warmly acknowledge and thank staff, volunteers and the people being supported for their individual contributions to Imagine's work.

I would personally like to thank my fellow trustees and the SMT for both their support to me, and their commitment to Imagine.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2024

Auditor

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Ms P Berry (Chair)

Trustee

Dated: 20 November 2024

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
*FOR THE YEAR ENDED 31 MARCH 2024***

The trustees, who are also the directors of Imagine Independence for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Opinion

We have audited the financial statements of Imagine Independence (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2024 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited**

4 December 2024

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Income from:</u>			
Donations and legacies	3	49,301	90,038
Charitable activities - Income	4	12,304,984	11,204,676
Total income		<u>12,354,285</u>	<u>11,294,714</u>
<u>Expenditure on:</u>			
Charitable activities - Expenditure	5	12,429,104	11,425,762
Total expenditure		<u>12,429,104</u>	<u>11,425,762</u>
Net movement in funds		(74,819)	(131,048)
Reconciliation of funds			
Fund balances at 1 April 2023		1,991,734	2,122,782
Fund balances at 31 March 2024		<u>1,916,915</u>	<u>1,991,734</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Intangible assets	10		8,262		-
Tangible assets	11		777,991		782,651
			<u>786,253</u>		<u>782,651</u>
Current assets					
Debtors	13	1,600,316		1,853,088	
Cash at bank and in hand		804,976		383,183	
		<u>2,405,292</u>		<u>2,236,271</u>	
Creditors: amounts falling due within one year	14	(1,269,077)		(1,015,300)	
Net current assets			<u>1,136,215</u>		<u>1,220,971</u>
Total assets less current liabilities			<u>1,922,468</u>		<u>2,003,622</u>
Provisions for liabilities	16		(5,553)		(11,888)
Total net assets			<u><u>1,916,915</u></u>		<u><u>1,991,734</u></u>
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	18	-		55,155	
General unrestricted funds		<u>1,916,915</u>		<u>1,936,579</u>	
			<u>1,916,915</u>		<u>1,991,734</u>
Total charity funds			<u><u>1,916,915</u></u>		<u><u>1,991,734</u></u>

The financial statements were approved by the trustees and authorised for issue on 20 November 2024 and are signed on its behalf by:

Ms P Berry (Chair)
Trustee

Company Registration No. 02699682

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		542,542		(655,684)
Investing activities					
Purchase of intangible assets		(11,016)		-	
Purchase of tangible fixed assets		(109,733)		(97,609)	
Net cash used in investing activities			(120,749)		(97,609)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			421,793		(753,293)
Cash and cash equivalents at beginning of year			383,183		1,136,476
Cash and cash equivalents at end of year			804,976		383,183

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

Charity information

Imagine Independence is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Hope Street, Liverpool, L1 9BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

(continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of financial activities under the heading charitable activities.

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and support costs are allocated to charitable activities in the SOFA based on the following allocation method

Senior management salary costs - staff time
Senior management employer's costs - staff time
Employer costs - staff time
Premises expenses - use of location
Office running costs - usage of items

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

(continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs and website	25% p.a on cost
-------------------------------	-----------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £500 are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% p.a. on cost
Leasehold land and buildings	2 - 4% p.a. on cost
Fixtures and fittings	10% - 33.33% p.a. on cost
Computers	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

(continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

(continued)

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

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

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

Bad and Doubtful Debts

Trade Debtors are recorded at their estimated realisable value. The recoverability of these debts is subject to various external influences such as the economic environment as well as more tangible factors such as the age of the debt. The trustees estimate what value of these debts is likely to be irrecoverable and then maintain an ongoing provision.

3 Donations and legacies

	2024	2023
	£	£
Donations and gifts	16,534	5,362
Grants receivable	32,767	84,676
	<u>49,301</u>	<u>90,038</u>
Grants receivable for core activities		
Covid grants	-	34,683
Mental Health First Aid Training	28,360	33,832
Other	4,407	16,161
	<u>32,767</u>	<u>84,676</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities - Income

Promoting independent lives

	2024	2023
	£	£
Income from charitable activities	10,691,151	9,661,442
Service funding	64,713	25,217
Shared rents and services charges	1,549,120	1,518,017
	<u>12,304,984</u>	<u>11,204,676</u>

5 Charitable activities - Expenditure

Promoting independent lives

	2024	2023
	£	£
Staff costs	9,696,730	8,844,942
Other staff costs	86,866	78,268
Travel	91,207	79,090
Premises and office costs	1,918,576	1,711,717
Service costs	163,502	173,661
Other	122,736	138,075
	<u>12,079,617</u>	<u>11,025,753</u>
Share of support costs (see note 6)	141,796	141,576
Share of governance costs (see note 6)	207,691	258,433
	<u>12,429,104</u>	<u>11,425,762</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

6 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation and amortisation	117,146	-	117,146	109,549	-	109,549
Bank charges	2,689	-	2,689	8,710	-	8,710
General expenses	21,961	-	21,961	23,317	-	23,317
Audit fees	-	19,000	19,000	-	18,150	18,150
Accountancy & payroll	-	8,326	8,326	-	4,628	4,628
Legal and professional	-	180,365	180,365	-	235,655	235,655
	<u>141,796</u>	<u>207,691</u>	<u>349,487</u>	<u>141,576</u>	<u>258,433</u>	<u>400,009</u>
Analysed between Charitable activities	<u>141,796</u>	<u>207,691</u>	<u>349,487</u>	<u>141,576</u>	<u>258,433</u>	<u>400,009</u>

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor	2024	2023
	£	£
Audit of the charity's annual accounts	<u>19,000</u>	<u>18,150</u>
Non-audit services		
All other non-audit services	<u>8,326</u>	<u>4,628</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees in the year (2023 £nil) .

9 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Clerical, administrative and directors	25	25
Support care staff	<u>229</u>	<u>230</u>
Total	<u>254</u>	<u>255</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

9 Employees (continued)

Employment costs	2024 £	2023 £
Wages and salaries	8,809,056	7,997,647
Social security costs	704,413	653,183
Other pension costs	183,261	194,112
	<u>9,696,730</u>	<u>8,844,942</u>

Included in wages and salaries are termination payments of £12,844 (2023: £10,613) and payments to agency staff and temporary workers of £818,527 (2023: £704,873).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,000 - £70,000	3	2
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1
£90,000 - £100,000	-	1
	<u></u>	<u></u>

10 Intangible fixed assets

	Development costs and website £
Cost	
At 1 April 2023	6,600
Additions - separately acquired	11,016
	<u>17,616</u>
At 31 March 2024	
Amortisation	
At April 2023	6,600
Amortisation charged for the year	2,754
	<u>9,354</u>
At 31 March 2024	
Carrying amount	
At 31 March 2024	8,262
	<u></u>
At 31 March 2023	-
	<u></u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

11 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2023	579,945	330,093	324,636	104,690	1,339,364
Additions	-	-	69,566	40,167	109,733
Disposals	-	-	(71,157)	(12,877)	(84,034)
At 31 March 2024	579,945	330,093	323,045	131,980	1,365,063
Depreciation and impairment					
At 1 April 2023	122,204	108,904	262,122	63,483	556,713
Depreciation charged in the year	11,599	8,329	64,618	29,847	114,393
Eliminated in respect of disposals	-	-	(71,157)	(12,877)	(84,034)
At 31 March 2024	133,803	117,233	255,583	80,453	587,072
Carrying amount					
At 31 March 2024	446,142	212,860	67,462	51,527	777,991
At 31 March 2023	457,741	221,189	62,514	41,207	782,651

12 Financial instruments

	2024	2023
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,309,196	2,171,004
Carrying amount of financial liabilities		
Measured at amortised cost	861,337	633,533

13 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	820,874	740,391
Other debtors	28,963	85,371
Prepayments and accrued income	750,479	1,027,326
	1,600,316	1,853,088

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		159,447	144,390
Deferred income	15	248,293	237,377
Trade creditors		272,019	102,090
Other creditors		262,067	251,994
Accruals		327,251	279,449
		<u>1,269,077</u>	<u>1,015,300</u>

15 Deferred income

	2024 £	2023 £
Other deferred income	<u>248,293</u>	<u>237,377</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Total deferred income at 1 April 2023	237,377	18,718
Amounts received in year	248,293	237,377
Amounts credited to statement of financial activities	<u>(237,377)</u>	<u>(18,718)</u>
Total deferred income at 31 March 2024	<u>248,293</u>	<u>237,377</u>

Included in deferred income are receipts which relate to a future accounting period and will be recognised to match the delivery of the service.

16 Provisions for liabilities

	Notes	2024 £	2023 £
Retirement benefit obligations	17	<u>5,553</u>	<u>11,888</u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £183,261 (2023 - £194,112).

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

17 Retirement benefit schemes

(continued)

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2024	2023	2022
	£	£	£
Present values of provision	5,553	11,888	18,647

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

17 Retirement benefit schemes

(continued)

Reconciliation of opening and closing provisions

	2024	2023
	£	£
At 1 April 2023	11,888	18,647
Unwinding of the discount factor (interest expense)	455	353
Deficit contribution paid	(6,794)	(6,794)
Remeasurements - impact of any change in assumptions	4	(318)
Remeasurements - amendments to the contribution schedule	-	-
	<u>5,553</u>	<u>11,888</u>

Income and expenditure account

	2024	2023
	£	£
Interest expense	455	353
Remeasurements - impact of any change in assumptions	4	(318)
Remeasurements - amendments to the contribution schedule	-	-
	<u>459</u>	<u>35</u>

Assumptions

	2024	2023
	%	%
Rate of discount - % per annum	<u>5.31</u>	<u>5.52</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Other information

The following schedule details the deficit contributions agreed between the company and the scheme at the end of each period

	2024	2023
	£	£
Year 1	5,662	6,794
Year 2	-	5,662
Year 3	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2022	Transfers	Balance at 1 April 2023	Transfers	Balance at 31 March 2024
	£	£	£	£	£
Future service development	55,155	-	55,155	(55,155)	-
	<u>55,155</u>	<u>-</u>	<u>55,155</u>	<u>(55,155)</u>	<u>-</u>

During a prior year the charity received a Just Giving donation of £20,699 and a legacy of £34,456 which have been earmarked for future service development. It was discussed during the year and the decision was made that these projects will no longer be going ahead and therefore the funds have been released back to general unrestricted funds.

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024	2023
	£	£
Aggregate compensation	<u>355,618</u>	<u>416,717</u>

During the year an amount was of £9,000 was paid to the partner of a member of key management for ad hoc administration work. The amounts paid were considered to be equal to the market rate for the services provided.

There were no other related party transactions in the year.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

20	Cash generated from operations	2024	2023
		£	£
	Deficit for the year	(74,819)	(131,048)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	117,146	109,549
	Movements in working capital:		
	Decrease/(increase) in debtors	252,772	(502,000)
	Increase/(decrease) in creditors	242,861	(344,085)
	(Decrease) in provisions	(6,334)	(6,759)
	Increase in deferred income	10,916	218,659
	Cash generated from/(absorbed by) operations	542,542	(655,684)

21 **Company limited by guarantee**

Imagine independence is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

IMAGINE INDEPENDENCE

England & Wales - Charity number 1010203

Accounts

Charity Registration No. 1010203

Company Registration No. 02699682 (England and Wales)

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms P Berry (Chair) Mr M Burns Mr A Connor Ms K Haslam Mr C Poole Mr R Cassidy
Chief Executive	Ms E Mather (Interim) Mr P Edwards (Interim)
Secretary	Mr P Edwards
Charity number	1010203
Company number	02699682
Registered office	25 Hope Street Liverpool L1 9BQ
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Bankers	HSBC plc 99-101 Lord Street Liverpool L2 6PG

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CONTENTS

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**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)".

The Trustees' Report incorporates the Directors' and Strategic Report as required by Company Law.

Objectives and activities

Imagine Independence is a leading third sector organisation, passionate about supporting people with mental illness, neurodiversity, learning disabilities, and challenging behaviours to live as part of their community. Imagine exists to challenge the stigma that having a mental illness or learning disability still brings. Imagine supports people to live meaningfully by nurturing their individuality and recognising the power of small steps.

Imagine supports people to live full and independent lives by empowering and enabling people to be actively involved in managing their mental and physical health, developing peer support networks and supporting service users to access socially inclusive or employment services.

These objectives are supported through services principally funded by public sector organisations, including health bodies and local authorities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

This report focuses on a transitional year as services revert to more traditional methods following two years significantly affected by the Covid-19 pandemic. Of course, the reversion was never going to be straightforward and this has proved to be the case across the whole health and social care sector, including Imagine. These challenges included the higher than forecast level of inflation which, with a small number of contracts at a fixed price, have impacted on viability. However, the greatest challenge to the sector has been the difficulty in recruiting and retaining staff. As the majority of our services are commissioned for a specific number of hours to ensure the provision of safe and appropriate support there can be no question of carrying vacancies and/or under-delivering support. As a result, these difficulties in recruiting staff have resulted in the need to use a higher level of agency staff than planned which has had financial and operational consequences on performance in 2022/23.

This has underlined the weaknesses in a social care system that had been underfunded during the last 10 years of austerity and the loss of short-term exceptional COVID grants that provided a degree of financial protection in 2020/21 and 2021/22. It's relevant to note that during 2021/22, the Workforce Recruitment and Retention Fund provided resources to enable local authorities to provide additional financial support to providers facing staffing difficulties. Despite the continuing, but different, challenges, no equivalent was available in 2022/23 and it is likely that the financial pressures will continue to be a feature for the short term.

These issues have been and continue to be raised with our public sector commissioners but it's important to note that they are also facing additional unplanned expenditure resulting from the current high rates of inflation.

As well as challenges, the pandemic also provided the impetus and opportunities for organisational transformation. The Board's aim for Imagine to become 'digital by default' within the period 2020-23 has been supported by the growth in the use of technology to deliver and manage services and work and meet remotely. One of the specific impacts of the move to hybrid working has been a reduction in the need for office space and it is likely that Imagine will be relocating its Head Office away from Hope Street in Liverpool in the near future.

In August 2022 we revised our organisational structure to create a clearer resource and responsibility for quality and governance to support the establishment of the new committees and the delivery of the recommendations of the governance review. Following the retirement of Margaret Hanson and given the financial pressures that the charity faces, this structure continues to be under review.

Alongside these structural changes we have continued the rollout of our digital management information system, Access. This has now been rolled out across the majority of services and further expansion into new modules continues. Whilst these developments have increased the use of technology across the charity, we recognise that further work is needed to achieve our objective of becoming digital by default.

The reason why Imagine exists is to support people to live better and more independent lives than would otherwise be possible. This can only be achieved if we employ people who share our passion for meeting these objectives. In 2021, Imagine's workforce embarked on the creation and adoption of the organisation's values and beliefs – there was engagement from across the workforce, including surveys, questionnaires, working parties and workshops. The resulting values and beliefs are wholly-representative of Imagine's staff and a reflection of what matters to us. We are continuing to embed our values in all we do. The Values that we identified are:

- Meaningful Living – using empathy to bring together diverse people and resources, to put everyday within reach of everyone;
- Nurturing Individuality – creating conditions that support people to be true to themselves and express their truth;
- Focused Dedication – showing up each day hungry to learn and develop, we never give up on people;
- Challenging Ideas – keeping our efforts real and centred on what matters most, we do not settle for the ordinary when better is possible;
- Generous Sharing – giving of ourselves, our experience and knowledge, to promote and provide a great service.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

This initiative was launched on 4 July 2022, "Imagine Independence Day", and was supported by a number of events across our services. By promoting these Values internally and externally, we hope to be able to attract and retain staff and, in addition to supporting our objectives, allow us to address the staff shortages in the post-pandemic health and social care sector.

Imagine provides services across the North West and London under contract to public sector bodies. The pandemic has impacted on the number of new services being commissioned and, as a result, there has been relatively little change in the services being provided during 2022/23.

The one new service introduced during 2022/23 was commissioned by Mersey Care NHS Trust to support the transformation of community mental health services in Liverpool, Knowsley and Sefton. The three year project is aimed at providing additional community support to a specific cohort of people who have disengaged with secondary mental health services and/or are regularly admitted to acute mental health wards. Initial indications are that the service, "Thriving Not Surviving", is making an impact and we hope that the model can be developed to achieve even better outcomes and be used in other areas.

In addition, as part of our response to the new financial pressures emerging in 2022/23, we opted to not renew two services that were no longer financially viable. The first was a sub-contract with another third sector provider in Wigan and the second followed the expiry of grant funding for a small service in Merton.

Financial review

Imagine made an overall deficit of £131,048 in 2022/23 (compared to the surplus of £277,649 in 2021/22), which was largely due to the additional costs resulting from employing agency staff in our services.

In the Accounts for 2021/22 we reported the surplus achieved in that year demonstrated "the success in meeting the objectives of the Financial Recovery Plan approved by the Board in 2018". However, we do not believe that the deficit in 2022/23 represents a backward step from that position. The increased turbulence in the economy and particularly across the health and social care means that we are, once again, in a period of transition and need to review our direct services to ensure viability and corporate and management costs to ensure value for money.

Despite the deficit, the organisation's total reserves were £1,991,734 at 31 March 2023, of which £1,153,928 relates to free reserves, compared to £2,122,782 at 31 March 2022 (free reserves £1,273,036), which is considered sufficient.

The complete results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to a minimum of 10% of income. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Whilst the overall balance sheet and financial standing remains adequate, we have faced delays in getting payments from some of our commissioners. In recent years the operations that Imagine deliver have increased in complexity and we now support people with greater needs and consequently, individually the funding is of a higher value. In addition, a number are through county-wide Frameworks and each placement is funded differently. Delays in getting new placements set up on the appropriate portals has resulted in debtors increasing and, consequently, cash falling during the year. This was also affected by the restructuring of the NHS during 2022 when ongoing contracts were transferred from Clinical Commissioning Groups (CCGs) to the newly created Integrated Care Boards (ICBs). This is reflected in the balance sheet at 31 March 2023 but, since that date, new processes have been introduced to reduce the risk of these delays.

It is important to note that, unlike traditional businesses, Imagine, as a social care charity, does not consider it an appropriate option to terminate the support for an individual because of slow or late payment.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk policy

The Board's review of risk continues to be broadly based on the key risks shown below. The register is supported by detailed operational policies and procedures which are regularly reviewed internally and externally audited. The corporate risk register comprises five themes:

- Theme 1 – Governance Risks
- Theme 2 – Operational Risks
- Theme 3 – Financial Risks
- Theme 4 – External/Environmental Risks
- Theme 5 – Compliance Risks

The trustees assess all identified and potential risks together with the actions proposed to mitigate the impact on Imagine. Although these risks tend to remain relatively consistent, they have been re-evaluated across the year under consideration to reflect the potential for increased risks as a result of the pandemic. During 2022/23 within the overall risks the Board decided to focus on three Key Risks:

- Key Risk 1 – Inadequate Staff Levels - Inability to meet staffing requirements stated in COP/DOL orders and commissioned hours stated in contracts.
- Key Risk 2 – Finance - The level of general and cash balances will be insufficient to support the Charity as a going concern.
- Key Risk 3 - Governance and Business Systems - The failure of relevant, responsible individuals and groups of individuals to monitor the delivery and impact of all services. The Strategic Plan incorporates the objective of delivering services as “digital by default”, in addition, the move to greater use of remote and home-working generates increased reliance on communication networks and processes. The key risk is that these processes will be unable to deliver contractual services in a secure, confidential, reliable way.

The implications, various actions and responsibilities linked to these risks have been considered and documented by the Board during 2022/23.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

2022/23 has thrown up a number of new challenges to Imagine and the Health and Social Care sector. The current focus is on mitigating and addressing these challenges. Some are continuing and our response to these and other emerging threats and opportunities will be reflected in the preparation of a revised Business Plan during 2023/24.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms P Berry (Chair)
Mr M Burns
Mr A Connor
Ms K Haslam
Mr C Poole
Mr R Cassidy

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up. The Board of Directors are the charity's trustees. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related third party transactions are disclosed in the notes to the accounts.

Our trustees are recruited by direct approach, recruitment advertising or word of mouth. On appointment, all new trustees meet with relevant staff to receive a full induction into the operations and governance of Imagine. In addition, they are given access to the dedicated trustee database of meeting reports and minutes and other key documents. Ongoing development is supported through visits to services and invitations to attend our regular management training events.

The full Board meet on a quarterly basis to consider policy, strategy and corporate governance. In the week prior to the Board, the Finance and Planning Committee meets to review the financial position of the charity and has responsibility for the overview and monitoring of strategic planning, corporate governance and budgetary processes. These timetabled meetings are supplemented by additional meetings to consider budget-setting and, if necessary, to finalise the accounts.

We are looking to recruit new trustees and, following this expansion, we have plans to introduce separate meetings of the following committees :

- a. Quality and Performance Committee – responsible for the overview of service standards and compliance with statutory, regulatory and commissioning standards;
- b. The HR Committee - responsible for the oversight of all matters related to the recruitment, retention and reward of staff.

All formal trustee meetings continue to be held online via Teams and are also attended by members of the charity's Senior Management Team. During 2022/23 the Company Secretary and Chief Executive, Margaret Hanson, retired and the Board have deferred the recruitment of a permanent replacement, opting to appoint Elaine Mather (Deputy Chief Executive and Chief Operating Officer) and Paul Edwards (Assistant Chief Executive) as Joint Chief Executives on an interim basis. Paul Edwards has also assumed the role of interim Company Secretary.

Between formal Board meetings, the Trustees maintain contact with each other and the SMT to monitor ongoing issues and to decide the agenda for the formal Board meeting. Following the retirement of Margaret Hanson more regular, informal meetings have been introduced between Pauline Berry (Chair of the Board) and the Interim CEOs.

Following a review of the Charity's Governance Framework in 2021 the Board is currently working to review and refresh its governance arrangements. This process has been slightly delayed following the retirement of Margaret Hanson and is still work in progress.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Pay Policy for Senior Staff

The Senior Management Team (SMT) is comprised of the key management personnel of the charity, who are responsible for directing and controlling, running and operating services on a day-to-day basis. The pay of the SMT is reviewed annually, at the same time as the pay of all staff is considered. In view of the financial pressures on the organisation from the public sector austerity measures, it is not considered appropriate for any automatic uprating of salaries in line with any index. Salary levels are considered in the context of the recruitment pressures, statutory guidance, financial performance, budgetary projection and the overall financial health of the charity. During 2022/23, senior managers received a percentage salary increase in line with that awarded to all other staff.

Environmental Issues

The Board is mindful of the organisation's environmental impact and following the completion of the governance review will seek to appoint an environmental champion when its numbers increase.

Employment and Training

Imagine is committed to equal access and opportunity. We respect and value the diversity of our workforce, volunteers and people we support to ensure all are treated with dignity and respect.

Imagine is committed to the continual development and training of staff. All new staff complete the Care Certificate along with induction in their first 12 weeks of employment and we continue to create learning opportunities for all staff to develop appropriate skills and understanding, unique to their roles.

The majority of our training is delivered through our online training modules. This is complemented by additional courses delivered on a more traditional face to face basis. We are currently reviewing our in-house training resource and hope to improve training further in 2022/23.

Contingent liabilities

Contingent liabilities continue to be an issue, which are a matter of discussion between Imagine and the Pensions Trust. As stated in previous reports, the deficit is small and represents a technical deficit only, with no immediate prospect of a call on charitable funds to supplement the Pension Trust's assets. This is monitored throughout the year when new information is made available and when a new actuarial valuation/funding statement is issued.

Conclusion

This report reflects a year of continuing challenge for Imagine. It is pleasing to note that, as a result of the improvements achieved in recent years, the staffing resources and financial standing of the charity have proved robust enough to meet these challenges.

The trustees warmly acknowledge and thank staff, volunteers and the people being supported for their individual contributions to Imagine's work.

I would personally like to thank my fellow trustees and the SMT for both their support to me, and their commitment to Imagine.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

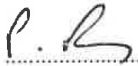
Auditor

In accordance with the company's articles, a resolution proposing that BWM be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Ms P Berry (Chair)

Trustee

Dated: 11 December 2023

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees, who are also the directors of Imagine Independence for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Opinion

We have audited the financial statements of Imagine Independence (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

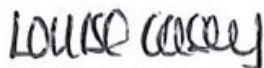
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of BWM**

18/12/2023
.....

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	3	90,038	314,055
Charitable activities	4	11,204,676	10,333,452
Investments	5	-	3
Total income		11,294,714	10,647,510
<u>Expenditure on:</u>			
Charitable activities	6	11,425,762	10,410,278
Total expenditure		11,425,762	10,410,278
Net (expenditure)/income for the year		(131,048)	237,232
Other recognised gains and losses			
Actuarial (loss)/gain on defined benefit pension schemes		-	40,417
Net movement in funds		(131,048)	277,649
Reconciliation of funds			
Fund balances at 1 April 2022		2,122,782	1,845,133
Fund balances at 31 March 2023		1,991,734	2,122,782

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	11		-		1,650
Tangible assets	12		782,651		792,941
			<u>782,651</u>		<u>794,591</u>
Current assets					
Debtors	14	1,853,088		1,351,088	
Cash at bank and in hand		383,183		1,136,476	
		<u>2,236,271</u>		<u>2,487,564</u>	
Creditors: amounts falling due within one year	15	(1,015,300)		(1,140,726)	
Net current assets			<u>1,220,971</u>		<u>1,346,838</u>
Total assets less current liabilities			2,003,622		2,141,429
Provisions for liabilities	17		(11,888)		(18,647)
Total net assets			<u>1,991,734</u>		<u>2,122,782</u>
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	19	55,155		55,155	
General unrestricted funds		<u>1,936,579</u>		<u>2,067,627</u>	
			<u>1,991,734</u>		<u>2,122,782</u>
Total charity funds			<u>1,991,734</u>		<u>2,122,782</u>

The financial statements were approved by the trustees and authorised for issue on 11 December 2023 and are signed on its behalf by:



Ms P Berry (Chair)
Trustee

Company Registration No. 02699682

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(655,684)		647,553
Investing activities					
Purchase of tangible fixed assets		(97,609)		(77,070)	
Investment income received		-		3	
Net cash used in investing activities			(97,609)		(77,067)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(753,293)		570,486
Cash and cash equivalents at beginning of year			1,136,476		565,990
Cash and cash equivalents at end of year			383,183		1,136,476

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

Charity information

Imagine Independence is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Hope Street, Liverpool, L1 9BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

(continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of financial activities under the heading charitable activities.

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and support costs are allocated to charitable activities in the SOFA based on the following allocation method

Senior management salary costs - staff time
Senior management employer's costs - staff time
Employer costs - staff time
Premises expenses - use of location
Office running costs - usage of items

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

(continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs and website	25% p.a on cost
-------------------------------	-----------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £250 are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% p.a. on cost
Leasehold land and buildings	2 - 4% p.a. on cost
Fixtures and fittings	10% - 33.33% p.a. on cost
Computers	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

(continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

1 Accounting policies

(continued)

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

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

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

Bad and Doubtful Debts

Trade Debtors are recorded at their estimated realisable value. The recoverability of these debts is subject to various external influences such as the economic environment as well as more tangible factors such as the age of the debt. The trustees estimate what value of these debts is likely to be irrecoverable and then maintain an ongoing provision.

3 Donations and legacies

	2023	2022
	£	£
Donations and gifts	5,362	32,423
Legacies receivable	-	34,456
Grants receivable	84,676	247,176
	<u>90,038</u>	<u>314,055</u>
Grants receivable for core activities		
Covid grants	34,683	136,249
Mental Health First Aid Training	33,832	39,615
Workforce Recruitment & Retention Grant	-	51,018
Other	16,161	20,294
	<u>84,676</u>	<u>247,176</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

Promoting independent lives

	2023	2022
	£	£
Income from charitable activities	9,661,442	8,747,900
Service funding	25,217	27,421
Shared rents and services charges	1,518,017	1,558,131
	<u>11,204,676</u>	<u>10,333,452</u>

5 Investments

	2023	2022
	£	£
Interest receivable	-	3
	<u>-</u>	<u>3</u>

6 Charitable activities

Promoting independent lives

	2023	2022
	£	£
Staff costs	8,844,942	7,792,406
Other staff costs	78,268	81,436
Travel	79,090	61,797
Premises and office costs	1,711,717	1,777,762
Service costs	173,661	120,946
Other	138,075	151,997
	<u>11,025,753</u>	<u>9,986,344</u>
Share of support costs (see note 7)	141,576	146,000
Share of governance costs (see note 7)	258,433	277,934
	<u>11,425,762</u>	<u>10,410,278</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Depreciation and amortisation	109,549	-	109,549	119,014	-	119,014
Bank charges	8,710	-	8,710	8,589	-	8,589
General expenses	23,317	-	23,317	18,397	-	18,397
Audit fees	-	18,150	18,150	-	30,665	30,665
Accountancy & payroll	-	4,628	4,628	-	4,830	4,830
Legal and professional	-	235,655	235,655	-	242,439	242,439
	<u>141,576</u>	<u>258,433</u>	<u>400,009</u>	<u>146,000</u>	<u>277,934</u>	<u>423,934</u>
Analysed between Charitable activities	<u>141,576</u>	<u>258,433</u>	<u>400,009</u>	<u>146,000</u>	<u>277,934</u>	<u>423,934</u>

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor	2023	2022
	£	£
Audit of the charity's annual accounts	<u>18,150</u>	<u>30,665</u>
Non-audit services		
All other non-audit services	<u>4,628</u>	<u>4,830</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees in the year (2022 £nil) .

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Clerical, administrative and directors	25	25
Support care staff	<u>230</u>	<u>215</u>
Total	<u>255</u>	<u>240</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10 Employees **(continued)**

Employment costs	2023 £	2022 £
Wages and salaries	7,997,647	7,053,171
Social security costs	653,183	557,799
Other pension costs	194,112	181,436
	<u>8,844,942</u>	<u>7,792,406</u>

Included in wages and salaries are termination payments of £10,613 (2022: £18,127) and payments to agency staff and temporary workers of £704,873 (2022: £365,138).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 - £70,000	2	-
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
£90,000 - £100,000	1	1
	<u>1</u>	<u>1</u>

11 Intangible fixed assets

	Development costs and website £
Cost	
At 1 April 2021	28,245
Disposals	(21,645)
	<u>6,600</u>
At 31 March 2023	6,600
Amortisation	
At April 2021	26,595
Amortisation charged for the year	1,650
Disposals	(21,645)
	<u>6,600</u>
At 31 March 2023	6,600
Carrying amount	
At 31 March 2023	-
	<u>1,650</u>
At 31 March 2022	1,650

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2022	602,537	307,501	328,919	99,585	1,338,542
Additions	-	-	62,220	35,389	97,609
Disposals	-	-	(66,503)	(30,284)	(96,787)
At 31 March 2023	602,537	307,501	324,636	104,690	1,339,364
Depreciation and impairment					
At 1 April 2022	114,651	96,529	263,631	70,790	545,601
Depreciation charged in the year	12,051	7,877	64,994	22,977	107,899
Eliminated in respect of disposals	-	-	(66,503)	(30,284)	(96,787)
At 31 March 2023	126,702	104,406	262,122	63,483	556,713
Carrying amount					
At 31 March 2023	475,835	203,095	62,514	41,207	782,651
At 31 March 2022	487,886	210,972	65,288	28,795	792,941

13 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,171,003	2,342,871
Carrying amount of financial liabilities		
Measured at amortised cost	633,533	982,832

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	740,391	528,750
Other debtors	85,371	141,710
Prepayments and accrued income	1,027,326	680,628
	1,853,088	1,351,088

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		144,390	139,176
Deferred income	16	237,377	18,718
Trade creditors		102,090	216,648
Other creditors		251,994	411,090
Accruals		279,449	355,094
		<u>1,015,300</u>	<u>1,140,726</u>

16 Deferred income

	2023 £	2022 £
Other deferred income	<u>237,377</u>	<u>18,718</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Total deferred income at 1 April 2022	18,718	34,713
Amounts received in year	237,377	18,718
Amounts credited to statement of financial activities	<u>(18,718)</u>	<u>(34,713)</u>
Total deferred income at 31 March 2023	<u>237,377</u>	<u>18,718</u>

Included in deferred income are receipts which relate to a future accounting period and will be recognised to match the delivery of the service.

17 Provisions for liabilities

	Notes	2023 £	2022 £
Retirement benefit obligations	18	<u>11,888</u>	<u>18,647</u>

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £194,112 (2022 - £181,436).

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

18 Retirement benefit schemes

(continued)

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2023	2022	2020
	£	£	£
Present values of provision	11,888	18,647	79,009

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

18 Retirement benefit schemes

(continued)

Reconciliation of opening and closing provisions

	2023	2022
	£	£
At 1 April 2022	18,647	79,009
Unwinding of the discount factor (interest expense)	353	456
Deficit contribution paid	(6,794)	(19,994)
Remeasurements - impact of any change in assumptions	(318)	(429)
Remeasurements - amendments to the contribution schedule	-	(40,395)
	<u>11,888</u>	<u>18,647</u>

Income and expenditure account

	2023	2022
	£	£
Interest expense	353	456
Remeasurements - impact of any change in assumptions	(318)	(429)
Remeasurements - amendments to the contribution schedule	-	(40,395)
	<u>35</u>	<u>40,368</u>

Assumptions

	2023	2022
	%	%
Rate of discount - % per annum	<u>5.52</u>	<u>2.35</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Other information

The following schedule details the deficit contributions agreed between the company and the scheme at the end of each period

	2023	2022
	£	£
Year 1	6,794	6,794
Year 2	5,662	6,794
Year 3	-	5,662

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		
	Balance at 1 April 2022	Incoming resources	Balance at 31 March 2023
	£	£	£
Future service development	55,155	-	55,155
	<u>55,155</u>	<u>-</u>	<u>55,155</u>

During the prior year the charity received a Just Giving donation of £20,699 and a legacy of £34,456 which have been earmarked for future service development.

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	416,717	318,240

There were no other related party transactions in the year.

21 Cash generated from operations

	2023	2022
	£	£
(Deficit)/surplus for the year	(131,048)	237,232
Adjustments for:		
Investment income recognised in statement of financial activities	-	(3)
Depreciation and impairment of tangible fixed assets	109,549	119,014
Difference between pension charge and cash contributions	-	40,417
Movements in working capital:		
(Increase)/decrease in debtors	(502,000)	24,226
(Decrease)/increase in creditors	(344,085)	303,025
(Decrease) in provisions	(6,759)	(60,363)
Increase/(decrease) in deferred income	218,659	(15,995)
Cash (absorbed by)/generated from operations	(655,684)	647,553

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
*FOR THE YEAR ENDED 31 MARCH 2023***

22 Company limited by guarantee

Imagine independence is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

Document Activity Report

Document Sent

Mon, 11 Dec 2023 11:43:48 GMT

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Date	Activity
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IMAGINE INDEPENDENCE

England & Wales - Charity number 1010203

Accounts

Charity Registration No. 1010203

Company Registration No. 02699682 (England and Wales)

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Ms P Berry	
	Mr M Burns	(Appointed 14 April 2021)
	Mr A Connor	
	Ms K Haslam	
	Mr C Poole	
	Mr R Cassidy	(Appointed 2 February 2022)
Chief Executive and Company Secretary	Ms M Hanson	
Charity number	1010203	
Company number	02699682	
Registered office	25 Hope Street Liverpool L1 9BQ	
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	HSBC plc 99-101 Lord Street Liverpool L2 6PG	

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CONTENTS

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IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

I commend this report as an accurate and fair account of Imagine Independence's activities from April 2021 to March 2022.

2021/22 has been an incredibly challenging year for everyone due to the continuing impact of COVID-19. For a charity like Imagine, which provides direct support to people in their homes, meeting this challenge and maintaining staffing levels in a safe environment has been even more important for both Imagine's staff and the people we support.

Despite these unprecedented issues, Imagine has had a successful year. In 2018/19 the Board reviewed its business plan, charitable objectives and staff resources, to ensure that the organisation was fit for purpose to secure new contracts and address the underlying financial deficits. It is pleasing to be able, once again, to report that these objectives have been achieved in 2021/22, despite the changes to working practices and other challenges that persist post COVID.

Structure, Governance and Management

As Trustees, the Board is principally responsible for policy, strategy and corporate governance. Meetings are held quarterly with the Senior Management Team (SMT) and, during 2021/22 these have continued to be held on-line, via Zoom. Between formal Board meetings, the Trustees maintain contact with each other and the SMT to monitor ongoing issues and to decide the agenda for the formal Board meeting. For the first half of the year the committee cycle of meetings was replaced with monthly Board meetings before reverting to the traditional, quarterly meetings supplemented with quarterly meetings of the Finance and Planning Committee. This Committee has responsibility for the overview and monitoring of strategic planning, corporate governance and budgetary processes.

In addition, during 2022/23 we are looking to introduce separate meetings of the following committees :

- a. Quality and Performance Committee – responsible for the overview of service standards and compliance with statutory, regulatory and commissioning standards;
- b. The HR Committee - responsible for the oversight of all matters related to the recruitment, retention and reward of staff.

All Committees are chaired by a Trustee and attended by a member of the SMT, as appropriate.

Following a review of the Charity's Governance Framework, together with the recommendations from the annual audit for 2019-20, the Board decided to review and refresh its governance arrangements. A detailed report from this review was received by the Board during 2021 and the insight and the recommendations continue to be addressed.

Risk review

The Board's review of risk continues to be broadly based on the key risks shown below. The register is supported by detailed operational policies and procedures which are regularly reviewed internally and externally audited. The corporate risk register comprises five themes:

- Theme 1 – Governance Risks
- Theme 2 – Operational Risks
- Theme 3 – Financial Risks
- Theme 4 – External/Environmental Risks
- Theme 5 – Compliance Risks

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees assess all identified and potential risks together with the actions proposed to mitigate the impact on Imagine. Although these risks tend to remain relatively consistent, they have been re-evaluated across the year under consideration to reflect the potential for increased risks as a result of the pandemic. During 2021/22 within the overall risks the Board decided to focus on four Key Risks:

- Key Risk 1 – COVID-19
- Key Risk 2 – Finance
- Key Risk 3 – Business Infrastructure and Processes
- Key Risk 4 – Governance

The implications, various actions and responsibilities linked to these risks have been considered and documented by the Board during 2021/22.

Contingent liabilities

Contingent liabilities continue to be an issue, which are a matter of discussion between Imagine and the Pensions Trust. As stated in previous reports, the deficit is small and represents a technical deficit only, with no immediate prospect of a call on charitable funds to supplement the Pension Trust's assets. This is monitored throughout the year when new information is made available and when a new actuarial valuation/funding statement is issued.

Finance

Imagine made an overall surplus of £277,649 in 2021/22 (compared to the surplus of £326,586 in 2020/21), which points to the success in meeting the objectives of the Financial Recovery Plan approved by the Board in 2018. As a result, the organisation's total funds were £2,122,782 at 31 March 2022, compared to £1,845,133 at 31 March 2021.

Pay Policy for Senior Staff

The Board of Directors are the Charity's Trustees. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related third party transactions are disclosed in the notes to the accounts.

The Senior Management Team (SMT) is comprised of the key management personnel of the charity, who are responsible for directing and controlling, running and operating services on a day-to-day basis. The pay of the SMT is reviewed annually, at the same time as the pay of all staff is considered by the HR Committee. In view of the financial pressures on the organisation from the public sector austerity measures, it is not considered appropriate for any automatic uprating of salaries in line with any index. Salary levels are considered in the context of the recruitment pressures, statutory guidance, financial performance, and the overall financial health of the charity. During 2021/22, senior managers received a salary increase in line with that awarded to all other staff.

Environmental Issues

The Board is mindful of the organisation's environmental impact and following the governance review will seek to appoint an environmental champion when its numbers increase.

Employment and Training

Imagine is committed to equal access and opportunity. We respect and value the diversity of our workforce, volunteers, people we support to ensure all are treated with dignity and respect.

Imagine is committed to the continual development and training of staff. All new staff complete The Care Certificate along with induction in their first 12 weeks of employment and continue to create learning opportunities for all staff to develop appropriate skills and understanding, unique to their roles.

This report reflects a year of unprecedented challenge for Imagine. It is pleasing to note that, as a result of the improvements achieved in recent years, the staffing resources and financial standing of the charity have proved robust enough to meet these challenges.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
CHAIR'S STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees warmly acknowledge and thank staff, volunteers and the people being supported for their individual contributions to Imagine's work.

I would personally like to thank my fellow Trustees and the SMT for both their support to me, and their commitment to Imagine.



Pauline Berry

Chair of the board of trustees

Dated: 19 December 2022

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)".

Parts of the requirements of the trustees annual report, as set out in the Charities Statement of Recommended Practice, are detailed in the chairs statement included on pages 1 to 3 of these financial statements.

Objectives and activities

Imagine Independence is a leading third sector organisation, passionate about supporting people with mental illness, neurodiversity, learning disabilities, and challenging behaviours to live as part of their community. Imagine exists to challenge the stigma that having a mental illness or learning disability still brings. Imagine supports people to live meaningfully by nurturing their individuality and recognising the power of small steps.

Imagine supports people to live full and independent lives by empowering and enabling people to be actively involved in managing their mental and physical health, developing peer support networks and supporting service users to access socially inclusive or employment services. These aims are principally supported through commissioned services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

This report focuses on a further year that has been significantly affected by the impact of the Covid 19 pandemic on the health and social care sector. This has exposed and exacerbated the weaknesses in a social care system that had been underfunded during the preceding 10 years of austerity. It has required everyone in the organisation to go above and beyond, day in day out, to ensure that we kept the people being supported, and our colleagues, as safe and well as possible.

At the same time, the pandemic provided the impetus for organisational transformation. The continued requirement for around a third of Imagine's employees to work from home accelerated the move towards achieving the Board's aim for Imagine to become 'digital by default' within the period 2020-23. The experience and learning from this period will be used to inform the organisation's introduction of a 'hybrid' approach to work.

Meanwhile, the staff who remained in the 'front-line', as key workers, continued to display their dedication to the people they support. Although the initial uncertainty about the reliable supply of Personal Protective Equipment was addressed in 2020, the new variants and evolving nature of the COVID virus and Government guidelines continued to cause a lot of anxiety to staff and took managers' focus away from their more normal tasks. These pressures included the challenges of maintaining staffing levels during the Omicron variant outbreak in 2021, when any infection required self-isolation, and the Government's on-off guidance that social care staff who refused vaccinations should lose their jobs.

Of course, many of the people being supported have lived with enduring mental illness across their adult lives and the impact of the repeated lockdowns and restrictions on their wellbeing cannot be overestimated. The daily routines and social networks built up over many years, which helped to maintain their mental wellbeing and promote their recovery, have been disrupted in this period generating additional challenges both for them and support staff. The energy and resilience required by all staff to keep operating in this 'emergency' mode for a second year cannot be overstated and it remains to be seen how long the impacts of living through this period will last past the end of the pandemic.

Imagine has been fortunate in having partners in the voluntary sector, the NHS and local government that shared and understood our challenges. This meant that full-value contract payments for our services were uninterrupted and grant funding for Covid related expenditure was passported through in an efficient and effective way. In particular the Workforce Recruitment and Retention Funding allowed us to provide enhanced pay rates to recognise and reward staff for their incredible support during 2021/22.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

In the early days of the pandemic, it became clear that, with the constant stream of new challenges faced by SMT, it would not be appropriate to retain and update the traditional medium-term strategic planning process. As a result the Board agreed to the introduction of a short-term Adaptation Strategy reflecting on lessons learned including the importance of home working, managing risk, flexible working models, continued access to goods and services and fit for purpose IT. These issues were considered by a number of Task and Finish Groups focussed on Our People, The People We Support and Our Environment. The Board adopted the recommendations of the Adaptation Strategy. This document was refreshed in March 2021 to cover the 2021-22 operational year and this has allowed the organisation to be responsive to the ever-changing circumstances keeping everyone focused on making good quality decisions. In this way, Imagine is in the best possible position to thrive in the post pandemic world and keep achieving its charitable mission.

This approach also supported Imagine to continue to develop both internally and externally in 2021-22. We expanded our service offer, bringing into operation additional sites and services in Lancashire, as part of the Transforming Care agenda. We also continued work with our NHS and social care partners in Greater Manchester to plan for two new complex care services. The first of which opened in early 2022.

In addition, we have made a successful bid using a new pilot service model. The "You Can Do It" service, delivered with community partners and jointly funded by Liverpool City Council and Mersey Care NHS Foundation Trust offers a community based mental health prevention offer to support individuals and communities post the Covid-19 pandemic. The pilot will operate for a twelve month period and will tackle risk factors for poor mental health, self harm and suicide, as well as enhancing existing services to meet the needs of residents with low level mental health conditions.

These new services were offset by the ending of lower need services in Cumbria, Croydon and Knowsley during the year, seeing Imagine refocus on agreed priorities of higher-level complex needs support in the North West.

The need to transform and strengthen Imagine's business infrastructure/processes had been identified by the Board. The importance of a robust, secure infrastructure saw Imagine retender its IT support service contract during 2021 and move to a new provider, BCN. This relationship has enabled some initial improvements and further development is continuing. This has been complemented by the continued rollout of a new digital management information system, Access. This has now been rolled out across the majority of services and further expansion into new modules and services is currently being assessed.

In the Summer of 2021, Imagine's workforce embarked on the creation and adoption of the organisation's values and beliefs – there was engagement from across the workforce, including surveys, questionnaires, working parties and workshops. The resulting values and beliefs are wholly-representative of Imagine's staff and a reflection of what matters to us. We are continuing to embed our values in all we do. The Values that we identified are:

- Meaningful Living
- Nurturing Individuality
- Focussed Dedication
- Challenging Ideas
- Generous Sharing

This initiative was launched during 2022 and the process of integrating these Values in everything we do is currently being addressed.

Of course, alongside our staff, we recognise the need for us, as Trustees, to meet best practice in charitable governance and invited the Good Governance Institute to observe our existing working practices during 2021. We received the report of GGI and are currently implementing their recommendations to ensure Imagine is able to maintain, or exceed, the standards required in an increasingly complex environment.

Geraldine Poole, who embodied these values, sadly passed away in late 2021. She was a founder of Imagine in the 1970s and her huge commitment to the work we do was an inspiration to all. Thank you Geraldine and rest in peace.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

In conclusion, there are too many people to thank by name. Everyone has given of their best during 2021-22, despite the enormous pressures on them in their home lives. The SMT has grown in confidence and matured as a result of the latter. When there were bumpy days, colleagues have rallied around and supported each other. Problems have been shared and solutions developed together. These experiences and the learning that has come from them means that Imagine continues to grow stronger. I can only conclude that this is a good thing.

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to a minimum of 10% of income. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk policy

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms P Berry	
Mr M Burns	(Appointed 14 April 2021)
Mr A Connor	
Ms K Haslam	
Ms A Martinez	(Resigned 4 August 2021)
Mr D Patterson	(Resigned 27 September 2021)
Mr C Poole	
Ms Geraldine Poole	(Deceased 1 December 2021)
Mr R Cassidy	(Appointed 2 February 2022)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that BWM be reappointed as auditor of the company will be put at a General Meeting.

Small company provisions

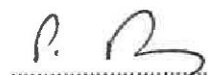
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Ms P Berry

Trustee

Dated: 19 December 2022

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also the directors of Imagine Independence for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Opinion

We have audited the financial statements of Imagine Independence (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 March 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF IMAGINE INDEPENDENCE**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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 statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF IMAGINE INDEPENDENCE**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of BWM

Chartered Accountants
Statutory Auditor

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Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

Current financial year

	Notes	Unrestricted funds 2022 £	Total funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	314,055	284,958
Charitable activities	4	10,333,452	9,591,834
Investments	5	3	18
Total income		10,647,510	9,876,810
<u>Expenditure on:</u>			
Charitable activities	6	10,410,278	9,545,419
Total expenditure		10,410,278	9,545,419
Net income/(expenditure) for the year		237,232	331,391
Other recognised gains and losses			
Actuarial gain/(loss) on defined benefit pension schemes		40,417	(4,805)
Net movement in funds		277,649	326,586
Reconciliation of funds			
Fund balances at 1 April 2021		1,845,133	1,518,547
Fund balances at 31 March 2022		2,122,782	1,845,133

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
Income from:				
Donations and legacies	3	284,958	-	284,958
Charitable activities	4	9,518,999	72,835	9,591,834
Investments	5	18	-	18
Total income		<u>9,803,975</u>	<u>72,835</u>	<u>9,876,810</u>
Expenditure on:				
Charitable activities	6	<u>9,472,584</u>	<u>72,835</u>	<u>9,545,419</u>
Total expenditure		<u>9,472,584</u>	<u>72,835</u>	<u>9,545,419</u>
Net incoming resources before transfers		331,391	-	331,391
Gross transfers between funds		<u>247,397</u>	<u>(247,397)</u>	<u>-</u>
Net income/(expenditure) for the year		578,788	(247,397)	331,391
Other recognised gains and losses				
Actuarial gain/(loss) on defined benefit pension schemes		(4,805)	-	(4,805)
Net movement in funds		573,983	(247,397)	326,586
Reconciliation of funds				
Fund balances at 1 April 2020		<u>1,271,150</u>	<u>247,397</u>	<u>1,518,547</u>
Fund balances at 31 March 2021		<u>1,845,133</u>	<u>-</u>	<u>1,845,133</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

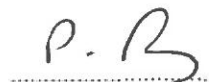
The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	11		1,650		3,300
Tangible assets	12		792,941		833,234
			<u>794,591</u>		<u>836,534</u>
Current assets					
Debtors	14	1,351,088		1,375,314	
Cash at bank and in hand		1,136,476		565,990	
		<u>2,487,564</u>		<u>1,941,304</u>	
Creditors: amounts falling due within one year	15	(1,140,726)		(853,696)	
Net current assets			<u>1,346,838</u>		<u>1,087,608</u>
Total assets less current liabilities			<u>2,141,429</u>		<u>1,924,142</u>
Provisions for liabilities	17		<u>(18,647)</u>		<u>(79,009)</u>
Total net assets			<u><u>2,122,782</u></u>		<u><u>1,845,133</u></u>
The funds of the charity					
<u>Unrestricted funds</u>					
Designated funds	20	55,155		-	
General unrestricted funds		<u>2,067,627</u>		<u>1,845,133</u>	
			<u>2,122,782</u>		<u>1,845,133</u>
Total charity funds			<u><u>2,122,782</u></u>		<u><u>1,845,133</u></u>

The financial statements were approved by the trustees and authorised for issue on and are signed on its behalf by:



Ms P Berry
Trustee

Company Registration No. 02699682

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	22		647,553		293,245
Investing activities					
Purchase of tangible fixed assets		(77,070)		(98,504)	
Investment income received		3		18	
Net cash used in investing activities			(77,067)		(98,486)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			570,486		194,759
Cash and cash equivalents at beginning of year			565,990		371,231
Cash and cash equivalents at end of year			<u>1,136,476</u>		<u>565,990</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

Charity information

Imagine Independence is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Hope Street, Liverpool, L1 9BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of financial activities under the heading charitable activities.

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and support costs are allocated to charitable activities in the SOFA based on the following allocation method

Senior management salary costs - staff time
Senior management employer's costs - staff time
Employer costs - staff time
Premises expenses - use of location
Office running costs - usage of items

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs and website	25% p.a on cost
-------------------------------	-----------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £250 are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% p.a. on cost
Leasehold land and buildings	2 - 4% p.a. on cost
Fixtures and fittings	10% - 33.33% p.a. on cost
Computers	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	32,423	20,413
Legacies receivable	34,456	-
Grants receivable	247,176	264,545
	<u>314,055</u>	<u>284,958</u>
Grants receivable for core activities		
HMRC coronavirus job retention scheme grant	-	133,333
Covid grants	136,249	100,064
Mental Health First Aid Training	39,615	31,148
Workforce Recruitment & Retention Grant	51,018	-
Other	20,294	-
	<u>247,176</u>	<u>264,545</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

4 Charitable activities

Promoting independent lives

	2022	2021
	£	£
Income from charitable activities	8,747,900	8,069,066
Service funding	27,421	24,861
Performance related grants	-	72,835
Shared rents and services charges	1,558,131	1,425,072
	<u>10,333,452</u>	<u>9,591,834</u>
Analysis by fund		
Unrestricted funds	10,333,452	9,518,999
Restricted funds	-	72,835
	<u>10,333,452</u>	<u>9,591,834</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	<u>3</u>	<u>18</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

Promoting independent lives

	2022	2021
	£	£
Staff costs	7,792,406	7,266,886
Other staff costs	81,436	50,591
Travel	61,797	53,266
Premises and office costs	1,777,762	1,596,925
Service costs	120,946	102,344
Other	151,997	147,434
	<u>9,986,344</u>	<u>9,217,446</u>
Share of support costs (see note 7)	146,000	109,599
Share of governance costs (see note 7)	277,934	218,374
	<u>10,410,278</u>	<u>9,545,419</u>
Analysis by fund		
Unrestricted funds	10,410,278	9,472,584
Restricted funds	-	72,835
	<u>-</u>	<u>72,835</u>

7 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Depreciation and amortisation	119,014	-	119,014	88,809	88,809
(Profit)/loss on disposal of fixed asset	-	-	-	1,158	1,158
Bank charges	8,589	-	8,589	6,625	6,625
General expenses	18,397	-	18,397	13,007	13,007
Audit fees	-	30,665	30,665	-	15,762
Accountancy & payroll	-	4,830	4,830	-	7,088
Legal and professional	-	242,439	242,439	-	195,524
	<u>146,000</u>	<u>277,934</u>	<u>423,934</u>	<u>109,599</u>	<u>327,973</u>
Analysed between Charitable activities	<u>146,000</u>	<u>277,934</u>	<u>423,934</u>	<u>109,599</u>	<u>327,973</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor	2022 £	2021 £
Audit of the charity's annual accounts	30,665	15,762
Non-audit services		
All other non-audit services	4,830	7,088

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees in the year (2021 £nil).

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Clerical, administrative and directors	25	25
Support care staff	215	220
Total	240	245

Employment costs	2022 £	2021 £
Wages and salaries	7,053,171	6,576,334
Social security costs	557,799	515,631
Other pension costs	181,436	174,921
	7,792,406	7,266,886

Included in wages and salaries are termination payments of £18,127 (2021: £1,068) and payments to agency staff and temporary workers of £365,138 (2021: £194,422).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets

	Development costs and website £
Cost	
At 1 April 2021	49,665
Disposals	(21,420)
	<u>28,245</u>
At 31 March 2022	<u>28,245</u>
Amortisation	
At April 2021	46,365
Amortisation charged for the year	1,650
Disposals	(21,420)
	<u>26,595</u>
At 31 March 2022	<u>26,595</u>
Carrying amount	
At 31 March 2022	<u>1,650</u>
At 31 March 2021	<u>3,300</u>

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2021	602,537	307,501	534,309	186,713	1,631,060
Additions	-	-	62,056	15,014	77,070
Disposals	-	-	(267,446)	(102,142)	(369,588)
	<u>602,537</u>	<u>307,501</u>	<u>328,919</u>	<u>99,585</u>	<u>1,338,542</u>
At 31 March 2022	<u>602,537</u>	<u>307,501</u>	<u>328,919</u>	<u>99,585</u>	<u>1,338,542</u>
Depreciation and impairment					
At 1 April 2021	102,600	88,652	449,696	156,877	797,825
Depreciation charged in the year	12,051	7,877	81,381	16,055	117,364
Eliminated in respect of disposals	-	-	(267,446)	(102,142)	(369,588)
	<u>114,651</u>	<u>96,529</u>	<u>263,631</u>	<u>70,790</u>	<u>545,601</u>
At 31 March 2022	<u>114,651</u>	<u>96,529</u>	<u>263,631</u>	<u>70,790</u>	<u>545,601</u>
Carrying amount					
At 31 March 2022	<u>487,886</u>	<u>210,972</u>	<u>65,288</u>	<u>28,795</u>	<u>792,941</u>
At 31 March 2021	<u>513,896</u>	<u>204,889</u>	<u>84,613</u>	<u>29,836</u>	<u>833,234</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

13	Financial instruments		2022	2021
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		2,342,870	1,870,522
	Carrying amount of financial liabilities			
	Measured at amortised cost		982,832	686,732
14	Debtors		2022	2021
			£	£
	Amounts falling due within one year:			
	Trade debtors		528,750	612,938
	Other debtors		141,710	320,942
	Prepayments and accrued income		680,628	441,434
			1,351,088	1,375,314
15	Creditors: amounts falling due within one year		2022	2021
		Notes	£	£
	Other taxation and social security		139,176	132,251
	Deferred income	16	18,718	34,713
	Trade creditors		216,648	117,449
	Other creditors		411,090	353,982
	Accruals		355,094	215,301
			1,140,726	853,696
16	Deferred income		2022	2021
			£	£
	Other deferred income		18,718	34,713
	Deferred income is included in the financial statements as follows:			
			2022	2021
			£	£
	Total deferred income at 1 April 2021		34,713	69,412
	Amounts received in year		18,718	34,713
	Amounts credited to statement of financial activities		(34,713)	(69,412)
	Total deferred income at 31 March 2022		18,718	34,713

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

16 Deferred income (continued)

Included in deferred income are receipts which relate to a future accounting period and will be recognised to match the delivery of the service.

17 Provisions for liabilities	Notes	2022 £	2021 £
Retirement benefit obligations	18	18,647	79,009

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £181,436 (2021 - £155,510).

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

18 Retirement benefit schemes

(continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2022	2021	2020
	£	£	£
Present values of provision	18,647	79,009	93,615

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

18 Retirement benefit schemes

(continued)

Reconciliation of opening and closing provisions

	2022	2021
	£	£
At 1 April 2021	79,009	93,615
Unwinding of the discount factor (interest expense)	456	2,103
Deficit contribution paid	(19,994)	(19,411)
Remeasurements - impact of any change in assumptions	(429)	2,702
Remeasurements - amendments to the contribution schedule	(40,395)	-
	<u>18,647</u>	<u>79,009</u>
At 31 March 2022		

Income and expenditure account

	2022	2021
	£	£
Interest expense	456	2,103
Remeasurements - impact of any change in assumptions	(429)	2,702
Remeasurements - amendments to the contribution schedule	(40,395)	-
	<u>40,368</u>	<u>4,805</u>
Costs recognised in the income and expenditure account		

Assumptions

	2022	2021
	%	%
Rate of discount - % per annum	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Other information

The following schedule details the deficit contributions agreed between the company and the scheme at the end of each period

	2022	2021
	£	£
Year 1	6,794	19,994
Year 2	6,794	20,594
Year 3	5,661	21,211
Year 4	-	18,206

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Income £	Expenditure £			Income £		
Pilkington fund	18,215	-	-	(18,215)	-	-	-	-
Employment Project	157,097	-	-	(157,097)	-	-	-	-
Personal health budgets	71,826	-	-	(71,826)	-	-	-	-
National Lottery	-	72,835	(72,835)	-	-	-	-	-
Other funds	259	-	-	(259)	-	-	-	-
	<u>247,397</u>	<u>72,835</u>	<u>(72,835)</u>	<u>(247,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Pilkington Donation was given in order to fund assets to provide services to people with mental ill health.

The Employment Project funds were received to provide assets and to fund running expenses of the Sefton Employment Service, which aims to reduce social exclusion for people with mental health issues.

Personal Health Budgets (PHB) was a pilot supported by the Department of Health in partnership with Merseycare and Sefton, Liverpool and Knowsley PCTs. It aimed to personalise health services through individual choice and control of health-related funding. Funds for this brokerage project are held by Imagine and were used to purchased items and opportunities that have clear health outcomes for participants, who are referred via Merseycare NHS Trust.

Other funds are held to promote the core objectives of the charity including encouraging healthy eating to avoid mental health issues.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

19 Restricted funds

(continued)

Funding from the National Lottery was for a one off pilot scheme funding a staff team to support the community to build up stronger following the initial covid lockdown.

In the prior year a review of the restricted funds brought forward at 1 April 2020 and the terms on which those funds were given, had identified that the apparent surplus brought forward on 1 April 2020 had been utilised, and the funds applied in completing the various projects as required by the fund provider during previous years. The trustees therefore transferred the balances to unrestricted funds so as to accurately reflect the position at 31 March 2021.

No restricted funds were received in the year to 31 March 2022.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		
	Balance at 1 April 2021	Incoming resources	Balance at 31 March 2022
	£	£	£
Future service development	-	55,155	55,155
	-	55,155	55,155

During the year the charity received a Just Giving donation of £20,699 and a legacy of £34,456 which have been earmarked for future service development.

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	318,240	330,128

There were no other related party transactions in the year.

22 Cash generated from operations

	2022 £	2021 £
Surplus for the year	237,232	331,391
Adjustments for:		
Investment income recognised in statement of financial activities	(3)	(18)
(Gain)/loss on disposal of tangible fixed assets	-	1,158
Depreciation and impairment of tangible fixed assets	119,014	88,809
Difference between pension charge and cash contributions	40,417	(4,805)
Movements in working capital:		
Decrease/(increase) in debtors	24,226	(253,084)
Increase in creditors	303,025	179,100
(Decrease) in provisions	(60,363)	(14,606)
(Decrease) in deferred income	(15,995)	(34,699)
Cash generated from operations	647,553	293,245

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
*FOR THE YEAR ENDED 31 MARCH 2022***

23 Company limited by guarantee

Imagine independence is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

IMAGINE INDEPENDENCE

England & Wales - Charity number 1010203

Accounts

Charity Registration No. 1010203

Company Registration No. 02699682 (England and Wales)

IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms P Berry	
	Mr M Burns	(Appointed 14 April 2021)
	Mr A Connor	(Appointed 2 April 2020)
	Ms K Haslam	(Appointed 2 April 2020)
	Mr C Poole	
	Ms Geraldine Poole (please refer to Chair's Statement)	
Chief Executive and Company Secretary	Ms M Hanson	
Charity number	1010203	
Company number	02699682	
Registered office	25 Hope Street Liverpool L1 9BQ	
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	HSBC plc 99-101 Lord Street Liverpool L2 6PG	

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IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

I commend this report as an accurate and fair account of Imagine Independence's activities from April 2020 to March 2021.

2020/21 has been an incredibly challenging year for everyone due to the impact of COVID-19. For a charity like Imagine, which provides direct support to people in their homes, meeting this challenge and maintaining staffing levels in a safe environment has been even more important for both Imagine's staff and the people they support.

Despite these unprecedented issues, Imagine has had a successful year. In 2018/19 the Board reviewed its business plan, charitable objectives and staff resources, to ensure that the organisation was fit for purpose to secure new contracts and address the underlying financial deficits. It is pleasing to be able to report that, despite COVID, these objectives have been achieved in 2020/21 and are reflected in this report.

Structure, Governance and Management

As Trustees, the Board is principally responsible for policy, strategy and corporate governance. Meetings are held quarterly with the Senior Management Team (SMT). Between formal Board meetings, the Trustees maintain contact with each other and the SMT to monitor ongoing issues and to decide the agenda for the formal Board meeting. The Board adjusted its normal cycle of business in this year to better meet the demands placed on the organisation during the acute phase of the pandemic. An agile way of working was introduced that freed up the SMT to focus more on the operational issues that they needed to address. All Board meetings went on line, using Zoom, and the committee cycle of meetings was replaced with monthly Board meetings. A pared down agenda meant the Board could give its attention to the key risks facing the organisation during the past 12 months.

In addition to the full Board of Trustees, quarterly meetings are held to provide a more detailed scrutiny of individual service areas, as follows:

- a. The Finance and Planning Committee - responsible for the overview and monitoring of strategic planning, corporate governance and budgetary processes;
- b. Quality and Performance Committee – responsible for the overview of service standards and compliance with statutory, regulatory and commissioning standards;
- c. The HR Committee-responsible for the oversight of all matters related to the recruitment, retention and reward of staff.

All Committees are chaired by a Trustee and attended by a member of the SMT, as appropriate.

Following a review of the Charity's Governance Framework, together with the recommendations from the annual audit for 2019-20, the Board decided to refresh its governance arrangements. This work is continuing into 2021-22 to ensure that the Board and the governance of the organisation are appropriate to the post Covid 19 environment.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Risk review

The Board's review of risk continues to be broadly based on the key risks shown below. The register is supported by detailed operational policies and procedures which are regularly reviewed internally and externally audited. The corporate risk register comprises five themes:

- Theme 1 – Governance Risks
- Theme 2 – Operational Risks
- Theme 3 – Financial Risks
- Theme 4 – External/Environmental Risks
- Theme 5 – Compliance Risks

The Trustees assess all identified and potential risks together with the actions proposed to mitigate the impact on Imagine. Although these risks tend to remain relatively consistent, they have been re-evaluated across the year under consideration to reflect the potential for increased risks as a result of the pandemic. During 2020/21 within the overall risks the Board decided to focus on four Key Risks:

- Key Risk 1 – COVID-19
- Key Risk 2 – Finance
- Key Risk 3 – Business Infrastructure and Processes
- Key Risk 4 - Governance

The implications, various actions and responsibilities linked to these risks have been considered and documented by the Board at each meeting during 2020/21.

Contingent liabilities

Contingent liabilities continue to be an issue, which are a matter of discussion between Imagine and the Pensions Trust. As stated in previous reports, the deficit is small and represents a technical deficit only, with no immediate prospect of a call on charitable funds to supplement the Pension Trust's assets. This is monitored throughout the year when new information is made available and when a new actuarial valuation/funding statement is issued.

Finance

Imagine made an overall surplus of £326,586 in 2020/21 (compared to the surplus of £1,020 in 2019/20), which points to the success in meeting the objectives of the Financial Recovery Plan approved by the Board in 2018. As a result, the organisation's total funds were £1,845,133 at 31 March 2021, compared to £1,518,547 at 31 March 2020.

Pay Policy for Senior Staff

The Board of Directors are the Charity's Trustees. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related third party transactions are disclosed in the notes to the accounts.

The Senior Management Team (SMT) is comprised of the key management personnel of the charity, who are responsible for directing and controlling, running and operating services on a day-to-day basis. The pay of the SMT is reviewed annually, at the same time as the pay of all staff is considered by the HR Committee. In view of the financial pressures on the organisation from the public sector austerity measures, it is not considered appropriate for any automatic uprating of salaries in line with any index. Salary levels are considered in the context of the recruitment pressures, statutory guidance, financial performance, and the overall financial health of the charity. During 2020/21, senior managers received a salary increase in line with that awarded to all other staff.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Environmental Issues

The board continues to be aware of its responsibilities to address environmental issues. Pending the completion of the Governance Review, the role of Environmental Champion is currently unallocated.

Employment and Training

Imagine operates an Equal Opportunities Policy; firstly, to ensure that staff, the people supported by Imagine, and its volunteers are treated with respect and dignity; and, secondly, so that the organisation employs a diverse range of people who reflect the communities in which Imagine works.

Imagine continues to create opportunities for all staff to develop appropriate skills and understanding and, with the exception of a small number of recently recruited staff, the Board is pleased to report that the strategic aim of 100% of our staff achieving NVQ level 2 or its equivalent is met.

This report reflects a year of unprecedented challenge for Imagine. It is pleasing to note that, as a result of the improvements achieved in recent years, the staffing resources and financial standing of the charity have proved robust enough to meet these challenges.

The Trustees warmly acknowledge and thank staff, volunteers and the people being supported for their individual contributions to Imagine's work.

I would personally like to thank my fellow Trustees and the SMT for both their support to me, and their commitment to Imagine.

A late and very sad update is to pass on the news that our trustee, Geraldine Poole passed away recently after a short illness. Geraldine was the personification of all that Imagine does well and was a founder of the charity, as well as an active and passionate champion of those experiencing mental ill health. Her kindness, wisdom and good humour have been a guiding beacon in Imagine. She is simply irreplaceable and we will miss her.

.....
Pauline Berry

Chair of the board of trustees

Dated: 16 December 2021

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)".

Objectives and activities

Imagine Independence (also known as Imagine) seeks to promote opportunities for people to live a full and independent life. It aims to achieve this without prejudicial thought or action.

Imagine seeks to support the preservation and safeguarding of mental health, assist in relieving and rehabilitating persons suffering from mental disorder, conditions of emotional or mental distress, any physical illness or any disability, including learning disabilities and dementia. These aims are principally supported through the provision of commissioned services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

This report focuses on a year that has been like no other for so many health and social care organisations. The impact of the Covid 19 pandemic on the sector in which Imagine operates has been both terrible and transformative at the same time. Externally, Covid 19 exposed and exacerbated the weaknesses in a social care system that had been underfunded during the preceding 10 years of austerity. It required everyone in the organisation to go above and beyond, day in day out, to ensure that we kept the people being supported, and our colleagues, as safe and well as possible.

At the same time, the pandemic provided a platform on which organisational transformation could be driven. The requirement for around a third of Imagine's employees to work from home accelerated the move towards achieving the Board's aim for Imagine to become 'digital by default' within the period 2020-23. Colleagues who had proclaimed themselves as novices when it came to using IT, quickly adapted to the new normal and delighted in working in the virtual Microsoft teams environment. The planned reprovision of IT kit was brought forward and, with the other equipment provided, ensured both home and agile working became a reality. The experience and learning from this period will be used to inform the organisation's introduction of a 'hybrid' approach to work, as part of its business plan for 2022-25.

Meanwhile, the staff who remained in the 'front-line', as key workers, continued to display their dedication to the people they support. Looking back, it is a testament to their mission and purpose that they did so. In the early days of the pandemic, very little was known about how the virus spread; there was scant availability of Personal Protective Equipment; and whole days of management time were spent putting infection prevention arrangements into place only to have to change them the next day as Public Health England or Government guidance was altered. It was a number of months before the organisation could put any reliance upon the central government supply chain to provide the amount of PPE required for all of its registered services. This did cause a lot of anxiety to staff and took managers' focus away from their more normal tasks, as they chased down the correct grade of facemasks; distributed PPE; audited infection prevention procedures; and supported the people using Imagine's services to maximise their health and wellbeing throughout the crisis.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The energy and resilience required to keep operating over many months in this 'emergency' mode cannot be underestimated. Many of the people being supported had lived with enduring mental illness across their adult lives. The impacts of the national lockdowns on their wellbeing cannot be under-estimated. The daily routines and social networks built up over many years, which helped to maintain their mental wellbeing and promote their recovery, were disrupted in this period. Staff made great efforts to minimise the negative effects of the lockdowns. It remains to be seen how long the impacts of living through this period will last past the end of the pandemic.

Imagine has been fortunate in having partners in the voluntary sector, the NHS and local government, which shared and understood our challenges. This meant that full-value contract payments for our services were uninterrupted and grant funding for Covid related expenditure was passported through in an efficient and effective way. The organisation made minimal use of the Government's Job Retention Scheme funding, as it needed everyone it could get in work. Managers were grateful that some colleagues from our social inclusion and employment services adapted and retrained to deliver front line, face to face support where we were short staffed. The mutual and practical support that other organisations in our sector showed was invaluable, especially that offered by the Association of Mental Health Providers.

In the very early days of the pandemic, capacity was an issue across the organisation, especially for senior managers, as they problem solved and responded to the constant stream of new challenges thrown up on a daily basis. However, this was relieved in part by the Board's decision to pause its normal cycle of business, which freed up SMT to focus solely on supporting the operational needs of the organisation. The Board began to meet again on a monthly basis from May 2020. As things settled down over the late Spring and Summer of 2020, work on the 2020-23 strategic plan recommenced. It was agreed that trying to focus on a three-year plan was overly ambitious at that point in time, given how volatile the external environment remained.

In addition, the SMT was aware of the need to respond to the issues emerging through the Black Lives Matter campaign. Imagine works in many communities where people from racially excluded groups make up a sizable proportion of the population. Along with many other organisations, Imagine felt the need to respond to calls for action to address the exclusion and systematic discrimination being described by BLM. However, it was felt that doing something that was no more than tokenistic was completely the wrong way to go.

As a result, the SMT and Board took time over the summer to reflect on what needed to happen to make a real and lasting change in Imagine. A mandatory training programme, working with an external company 'Strawberry Words', was commissioned in September 2020. By the end of the programme, everyone in Imagine should have a better understanding of the issues that foster and create race discrimination. The organisation has been clear that it had a zero-tolerance of racism and is engaged in refreshing its equality, diversity, and inclusion policy to reflect the work it has done over the past months. The Board allocated significant additional resources to support this important work and the SMT have been grateful for their support.

A one-year adaptation strategy was developed involving staff at all levels in the organisation. By using a thirty-day iterative cycle, a final draft plan containing some very clear, deliverable outcomes for the organisation was adopted by the Board at its September meeting. The clarity that this plan provided to the senior management team has helped to drive the organisation forward since then. Together with a revised Key Risks Register, the Board and the SMT successfully steered the organisation through to the end of the year under consideration. These documents were refreshed in March 2021 to cover the 2021-22 operational year. They have allowed the organisation to be responsive to the ever-changing circumstances in which it has operated since March 2020, keeping everyone focused on making good quality decisions. In this way, Imagine is in the best possible position to thrive in the post pandemic world and keep achieving its charitable mission.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This approach also supported Imagine to continue to develop both internally and externally in 2020-21. We expanded our service offer, bringing into operation additional sites and services in Lancashire, as part of the Transforming Care agenda. Work started also with our NHS and social care partners in Greater Manchester to plan for two new complex care services that are due to start in the autumn of 2021. A successful bid was made to the National Lottery Communities fund for emergency support to develop a pilot social inclusion scheme 'Building Up Stronger' or BUS. This was set up in only a month and ran across the second half of 2020-21. It was successful in reaching some of the most excluded people in inner city Liverpool, who were then better able to manage the circumstances in which the pandemic placed them. We were grateful for the support received to deliver this pilot by colleagues in MerseyCare, who provided some additional funding to help extend the project up to Summer 2021. The learning from the pilot will inform the development of Imagine's social inclusion and supported housing services going forward.

The need to transform Imagine's business infrastructure/processes had been identified at a Board away day in January 2020. The imperative to move to a more agile, digital solution was heightened by the many 'work arounds' put in place during the pandemic to capture information about what was happening in the organisation at the front-line level. As a result, SMT identified a best fit, end-to-end digital management information system. The Board agreed the investment for this and the 'build' phase for this major project started in October 2020, underpinned by a plan to ensure that the roll out of the system was managed effectively. The 'Access' system will be in place across the whole organisation by the end of 2021.

The contribution of all of the people who work for Imagine can never be under-estimated and the SMT is always conscious of finding new ways to acknowledge and reward them. In this year, an across the board pay increase was awarded, the first in a number of years. Other financial incentives were used to ensure that we could maximise the staffing available to the organisation during the pandemic. In addition, a staff recognition award scheme was introduced to reward those staff who were going above and beyond to the benefit of the people they supported or their colleagues.

SMT was also pleased to introduce an Employee Assistance Scheme for the first time. Temporary flexitime and home working policies were trialled also to support staff to better balance their home and work lives. These will be evaluated, and possibly made permanent, as part of the work to develop the 2022-25 business plan. This year saw Imagine take major steps forward to offer better terms and conditions, vital for the recruitment and retention of staff in what has been an ever-tightening employment environment. A focus on improving the salaries and other benefits for people working for Imagine became a regular item on the SMT's agenda in this year and has remained so into 2021-22.

In conclusion, there are too many people to thank by name. Everyone has given of their best during 2020-21, despite the enormous pressures on them in their home lives. The SMT has grown in confidence and matured as a result of the latter. When there were bumpy days, colleagues have rallied around and supported each other. Problems have been shared and solutions developed together. These experiences and the learning that has come from them means that Imagine is a much stronger, more robust organisation than it was in March 2020. I can only conclude that this is a good thing.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to a minimum of 10% of income. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk policy

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms P Berry	
Mr M Burns	(Appointed 14 April 2021)
Mr A Connor	(Appointed 2 April 2020)
Ms K Haslam	(Appointed 2 April 2020)
Mr J Hayes	(Resigned 2 April 2020)
Ms A Martinez	(Resigned 4 August 2021)
Mr D Patterson	(Resigned 27 September 2021)
Mr C Poole	
Ms Geraldine Poole (please refer to Chair's Statement)	

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that BWM be reappointed as auditor of the company will be put at a General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
*FOR THE YEAR ENDED 31 MARCH 2021***

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Ms P Berry

Trustee

Dated: 16 December 2021

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
*FOR THE YEAR ENDED 31 MARCH 2021***

The trustees, who are also the directors of Imagine Independence for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Opinion

We have audited the financial statements of Imagine Independence (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 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 FRS 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, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

IMAGINE INDEPENDENCE COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF IMAGINE INDEPENDENCE

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)
for and on behalf of BWM**

16 December 2021

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	284,958	-	284,958	77,812
Charitable activities	4	9,518,999	72,835	9,591,834	8,224,863
Investments	5	18	-	18	43
Total income		<u>9,803,975</u>	<u>72,835</u>	<u>9,876,810</u>	<u>8,302,718</u>
<u>Expenditure on:</u>					
Charitable activities	6	9,472,584	72,835	9,545,419	8,303,344
Total expenditure		<u>9,472,584</u>	<u>72,835</u>	<u>9,545,419</u>	<u>8,303,344</u>
Net incoming/(outgoing) resources before transfers		331,391	-	331,391	(626)
Gross transfers between funds		247,397	(247,397)	-	-
Net income/(expenditure) for the year		<u>578,788</u>	<u>(247,397)</u>	<u>331,391</u>	<u>(626)</u>
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes		(4,805)	-	(4,805)	1,646
Net movement in funds		<u>573,983</u>	<u>(247,397)</u>	<u>326,586</u>	<u>1,020</u>
Reconciliation of funds					
Fund balances at 1 April 2020		1,271,150	247,397	1,518,547	1,517,527
Fund balances at 31 March 2021		<u>1,845,133</u>	<u>-</u>	<u>1,845,133</u>	<u>1,518,547</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	77,812	-	77,812
Charitable activities	4	8,164,736	60,127	8,224,863
Investments	5	43	-	43
Total income		<u>8,242,591</u>	<u>60,127</u>	<u>8,302,718</u>
<u>Expenditure on:</u>				
Charitable activities	6	8,273,198	30,146	8,303,344
Total expenditure		<u>8,273,198</u>	<u>30,146</u>	<u>8,303,344</u>
Net income/(expenditure) for the year		(30,607)	29,981	(626)
Other recognised gains and losses				
Actuarial (loss)/gain on defined benefit pension schemes		1,646	-	1,646
Net movement in funds		<u>(28,961)</u>	<u>29,981</u>	<u>1,020</u>
Reconciliation of funds				
Fund balances at 1 April 2019		1,300,111	217,416	1,517,527
Fund balances at 31 March 2020		<u>1,271,150</u>	<u>247,397</u>	<u>1,518,547</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11	3,300		-	
Tangible assets	12	833,234		827,996	
		836,534		827,996	
Current assets					
Debtors	14	1,375,314		1,122,230	
Cash at bank and in hand		565,990		371,231	
		1,941,304		1,493,461	
Creditors: amounts falling due within one year	15	(853,696)		(709,295)	
Net current assets		1,087,608		784,166	
Total assets less current liabilities		1,924,142		1,612,162	
Provisions for liabilities	17	(79,009)		(93,615)	
Total net assets		1,845,133		1,518,547	
The funds of the charity					
Restricted funds	19	-		247,397	
Unrestricted funds		1,845,133		1,271,150	
Total charity funds		1,845,133		1,518,547	

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

The financial statements were approved by the trustees and authorised for issue on 16 December 2021 and are signed on its behalf by:

Ms P Berry
Trustee

Company Registration No. 02699682

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	22		293,245		(103,982)
Cash flows from investing activities					
Purchase of tangible fixed assets		(98,504)		(78,723)	
Proceeds on disposal of tangible fixed assets		-		368,595	
Investment income received		18		43	
Net cash (used in)/provided by investing activities			(98,486)		289,915
Change in cash and cash equivalents in the year			194,759		185,933
Cash and cash equivalents at beginning of year			371,231		185,298
Cash and cash equivalents at end of year			565,990		371,231

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

Charity information

Imagine Independence is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Hope Street, Liverpool, L1 9BQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants, including capital grants, and contract income is included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to preconditions regarding entitlement, this income is included in income of restricted funds when receivable.

Voluntary income includes discretionary grants for projects, goods and services where no service agreement or contract exists.

Other grants, which have particular service requirements and which are provided in accordance with a contract or service level agreement are included in the statement of financial activities under the heading charitable activities.

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the statement of financial activities (SOFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 and support costs are allocated to charitable activities in the SOFA based on the following allocation method

Senior management salary costs - staff time
Senior management employer's costs - staff time
Employer costs - staff time
Premises expenses - use of location
Office running costs - usage of items

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs and website	25% p.a on cost
-------------------------------	-----------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £250 are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% p.a. on cost
Leasehold land and buildings	2% p.a. on cost
Fixtures and fittings	10% - 33.33% p.a. on cost
Computers	25% p.a. on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

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

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

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	20,413	51,326
Grants receivable	264,545	26,486
	<u>284,958</u>	<u>77,812</u>
Grants receivable for core activities		
HMRC coronavirus job retention scheme grant	133,333	-
Covid grants	100,064	-
Other	31,148	26,486
	<u>264,545</u>	<u>26,486</u>

4 Charitable activities

	Promoting independent lives	Promoting independent lives
	2021	2020
	£	£
Income from charitable activities	8,069,066	6,800,970
Service funding	24,861	23,038
Performance related grants	72,835	-
Shared rents and services charges	1,425,072	1,400,855
	<u>9,591,834</u>	<u>8,224,863</u>
Analysis by fund		
Unrestricted funds	9,518,999	8,164,736
Restricted funds	72,835	60,127
	<u>9,591,834</u>	<u>8,224,863</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	18	43

6 Charitable activities

	Promoting independent lives 2021 £	Promoting independent lives 2020 £
Staff costs	7,266,886	6,075,642
Other staff costs	50,591	53,907
Travel	53,266	152,844
Premises and office costs	1,596,925	1,412,947
Service costs	102,344	160,406
Other	147,434	101,905
	<u>9,217,446</u>	<u>7,957,651</u>
Share of support costs (see note 7)	109,599	75,643
Share of governance costs (see note 7)	218,374	270,050
	<u>9,545,419</u>	<u>8,303,344</u>
Analysis by fund		
Unrestricted funds	9,472,584	8,273,198
Restricted funds	72,835	30,146
	<u>9,545,419</u>	<u>8,303,344</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Depreciation and amortisation	88,809	-	88,809	115,276	-	115,276
(Profit)/loss on disposal of fixed asset	1,158	-	1,158	(60,725)	-	(60,725)
Bank charges	6,625	-	6,625	7,477	-	7,477
General expenses	13,007	-	13,007	13,615	-	13,615
Audit fees	-	15,762	15,762	-	11,466	11,466
Accountancy	-	7,088	7,088	-	5,460	5,460
Legal and professional	-	195,524	195,524	-	253,124	253,124
	<u>109,599</u>	<u>218,374</u>	<u>327,973</u>	<u>75,643</u>	<u>270,050</u>	<u>345,693</u>
Analysed between Charitable activities	<u>109,599</u>	<u>218,374</u>	<u>327,973</u>	<u>75,643</u>	<u>270,050</u>	<u>345,693</u>

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor	2021	2020
	£	£
Audit of the charity's annual accounts	15,762	11,466
Non-audit services		
All other non-audit services	7,088	5,460

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees in the year (2020 £nil) .

10 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Clerical, administrative and directors	25	24
Support care staff	220	193
Total	<u>245</u>	<u>217</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10 Employees (continued)

Employment costs	2021 £	2020 £
Wages and salaries	6,576,334	5,506,101
Social security costs	515,631	426,091
Other pension costs	174,921	143,450
	<u>7,266,886</u>	<u>6,075,642</u>

Included in wages and salaries are termination payments of £1,068 (2020 £34,582) and payments to agency staff and temporary workers of £194,422 (2020 £105,043).

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>1</u>	<u>2</u>

11 Intangible fixed assets

	Development costs and website £
Cost	
Transfer from tangible fixed assets during the year	49,665
At 31 March 2021	<u>49,665</u>
Amortisation	
Transfer from tangible fixed assets during the year	39,304
Amortisation charged for the year	7,061
At 31 March 2021	<u>46,365</u>
Carrying amount	
At 31 March 2021	<u>3,300</u>
At 31 March 2020	<u>-</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2020	602,537	307,500	464,018	268,799	1,642,854
Additions	-	-	70,291	28,213	98,504
Disposals	-	-	-	(60,634)	(60,634)
Transfer to intangible fixed assets	-	-	-	(49,665)	(49,665)
At 31 March 2021	602,537	307,500	534,309	186,713	1,631,059
Depreciation and impairment					
At 1 April 2020	82,995	90,560	406,789	234,514	814,858
Depreciation charged in the year	5,646	12,051	42,907	21,143	81,747
Transfer to intangible fixed assets	-	-	-	(39,304)	(39,304)
Eliminated in respect of disposals	-	-	-	(59,476)	(59,476)
At 31 March 2021	88,641	102,611	449,696	156,877	797,825
Carrying amount					
At 31 March 2021	513,896	204,889	84,613	29,836	833,234
At 31 March 2020	519,543	216,940	57,228	34,285	827,996

13 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at cost	1,870,522	1,402,722
Carrying amount of financial liabilities		
Measured at cost	686,732	526,221

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	612,938	407,952
Other debtors	320,942	(36,320)
Prepayments and accrued income	441,434	750,598
	1,375,314	1,122,230

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		132,251	113,662
Deferred income	16	34,713	69,412
Trade creditors		117,449	260,354
Other creditors		353,982	52,881
Accruals		215,301	212,986
		<u>853,696</u>	<u>709,295</u>

16 Deferred income

	2021 £	2020 £
Other deferred income	34,713	69,412
	<u>34,713</u>	<u>69,412</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Total deferred income at 1 April 2020	69,412	(62,780)
Amounts received in year	34,713	69,412
Amounts credited to statement of financial activities	69,412	62,780
	<u>69,412</u>	<u>62,780</u>
Total deferred income at 31 March 2021	<u>34,713</u>	<u>69,412</u>

Included in deferred income are receipts which relate to a future accounting period and will be recognised to match the delivery of the service.

17 Provisions for liabilities

	Notes	2021 £	2020 £
Retirement benefit obligations	18	79,009	93,615
		<u>79,009</u>	<u>93,615</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £155,510 (2020 - £124,604).

Defined benefit schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

18 Retirement benefit schemes

(continued)

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
---------------------------------------	---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

18 Retirement benefit schemes

(continued)

Present values of provision

Reconciliation of opening and closing provisions

	2021	2020
	£	£
At 1 April 2020	93,615	113,563
Unwinding of the discount factor (interest expense)	2,103	1,437
Deficit contribution paid	(19,411)	(18,846)
Remeasurements - impact of any change in assumptions	2,702	(2,539)
Remeasurements - amendments to the contribution schedule	-	-
At 31 March 2021	79,009	93,615

Income and expenditure account

	2021	2020
	£	£
Interest expense	2,103	1,437
Remeasurements - impact of any change in assumptions	2,702	(2,539)
Remeasurements - amendments to the contribution schedule	-	2,748
Costs recognised in the income and expenditure account	4,806	1,646

Assumptions

	2021	2020
	%	%
Rate of discount - % per annum	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Other information

The following schedule details the deficit contributions agreed between the company and the scheme at the end of each period

	2021	2020
	£	£
Year 1	19,994	19,411
Year 2	20,594	19,994
Year 3	21,211	20,594
Year 4	18,206	21,211
Year 5		18,206
Year 6		

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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18 Retirement benefit schemes

(continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

**IMAGINE INDEPENDENCE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds		Balance at 1 April 2020 £	Movement in funds		Transfers 31 March 2021 £	Balance at 31 March 2021 £
		Income £	Expenditure £		Income £	Expenditure £		
Pilkington fund	18,715	-	(500)	18,215	-	-	(18,215)	-
Employment Project	126,616	60,127	(29,646)	157,097	-	-	(157,097)	-
Personal health budgets	71,826	-	-	71,826	-	-	(71,826)	-
National Lottery	-	-	-	-	72,835	(72,835)	-	-
Other funds	259	-	-	259	-	-	(259)	-
	217,416	60,127	(30,146)	247,397	72,835	(72,835)	(247,397)	-

The Pilkington Donation was given in order to fund assets to provide services to people with mental ill health.

The Employment Project funds were received to provide assets and to fund running expenses of the Sefton Employment Service, which aims to reduce social exclusion for people with mental health issues.

Personal Health Budgets (PHB) was a pilot supported by the Department of Health in partnership with Merseycare and Sefton, Liverpool and Knowsley PCTs. It aimed to personalise health services through individual choice and control of health-related funding. Funds for this brokerage project are held by Imagine and were used to purchased items and opportunities that have clear health outcomes for participants, who are referred via Merseycare NHS Trust.

Other funds are held to promote the core objectives of the charity including encouraging healthy eating to avoid mental health issues.

**IMAGINE INDEPENDENCE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

19 Restricted funds

(continued)

Funding from the National Lottery was for a one off pilot scheme funding a staff team to support the community to build up stronger following the initial covid lockdown.

A review of the restricted funds brought forward and the terms on which those funds were given, has identified that the apparent surplus brought forward of 1 April 2020 had been utilised and the funds applied in completing the various projects as required by the fund provider during previous years. The trustees have therefore transferred the balances to unrestricted funds so as to accurately reflect the position at 31 March 2021.

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Intangible fixed assets	3,300	-	3,300	-	-	-
Tangible assets	833,234	-	833,234	812,496	15,500	827,996
Current assets/(liabilities)	1,087,608	-	1,087,608	552,269	231,897	784,166
Provisions and pensions	(79,009)	-	(79,009)	(93,615)	-	(93,615)
	<u>1,845,133</u>	<u>-</u>	<u>1,845,133</u>	<u>1,271,150</u>	<u>247,397</u>	<u>1,518,547</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>330,128</u>	<u>329,483</u>

There were no other related party transactions in the year.

22 Cash generated from operations

	2021 £	2020 £
Net income/(expenditure) for the year (as per the statement of financial activities)	331,391	(626)
Adjustments for:		
Investment income recognised in statement of financial activities	(18)	(43)
Loss/(gain) on disposal of tangible fixed assets	1,158	(60,725)
Depreciation and amortisation of fixed assets	88,809	115,276
Difference between pension charge and cash contributions	(4,805)	1,646
Movements in working capital:		
(Increase)/decrease in debtors	(253,084)	(196,586)
Increase/(decrease) in creditors	179,100	50,935
(Decrease) in provisions	(14,606)	(20,492)
(Decrease)/increase in deferred income	(34,699)	6,632
Net cash provided by (used in) operating activities	<u>293,245</u>	<u>(103,982)</u>

**IMAGINE INDEPENDENCE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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23 Company limited by guarantee

Imagine independence is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

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