

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	

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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		12,354,285	11,294,714
<u>Expenditure on:</u>			
Charitable activities - Expenditure	5	12,429,104	11,425,762
Total expenditure		12,429,104	11,425,762
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		1,916,915	1,991,734

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> </u>
At 31 March 2024	17,616
Amortisation	
At April 2023	6,600
Amortisation charged for the year	2,754
	<u> </u>
At 31 March 2024	9,354
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
		<hr/>	<hr/>
	Cash generated from/(absorbed by) operations	542,542	(655,684)
		<hr/> <hr/>	<hr/> <hr/>

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.