

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

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 29

**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><u>3,639</u></u>	<u><u>49,301</u></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></u>	<u><u>32,767</u></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:

Fees payable to the charity's auditor	2025	2024
	£	£
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>
	1,991,734	12,198,442	(12,429,104)	-	-	1,761,072
	<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.